

2013 DRAFTING REQUEST

Bill

Received:	1/16/2014	Received By:	agary
Wanted:	As time permits	Same as LRB:	
For:	Cory Mason (608) 266-0634	By/Representing:	Vicky Selkove
May Contact:		Drafter:	agary
Subject:	Transportation - mass trnst/rail	Addl. Drafters:	
		Extra Copies:	EVM

Submit via email: **YES**
 Requester's email: **Rep.Mason@legis.wisconsin.gov**
 Carbon copy (CC) to: **aaron.gary@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Kenosha Racine Milwaukee transit system/ authority (KRM)

Instructions:

Redraft of final sub in 2009 to 2009 AB-723, ASA2 to AB 723 (LRBs0333)

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	agary 1/31/2014	evinz 2/10/2014		_____			
/P1	agary 2/20/2014	evinz 2/13/2014	rschluet 2/14/2014	_____	sbasford 2/14/2014		State S&L
/1		evinz 2/20/2014	rschluet 2/20/2014	_____	mbarman 2/20/2014	sbasford 2/20/2014	State S&L

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INTRO

FE Sent For:

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1/?	agary	1/pl eev 2/13/14	1/pl eev 2/10/14	2/13/14			

FE Sent For:

<END>

Gary, Aaron

From: Selkowe, Vicky
Sent: Monday, January 27, 2014 2:19 PM
To: Gary, Aaron
Subject: RE: Redraft of ASA2 to 2009 AB-723

Oy vey. I somehow knew this could never be "simple." Yes, Rep. Mason wants to recreate the KRM authority with the modifications specified in ASA2-AB 723, along with the new s. 66.1038 language.

Thanks,
Vicky

Vicky Selkowe
Office of State Representative Cory Mason
66th Assembly District
State Capitol, Room 6 North
PO Box 8953, Madison, WI 53708
Phone: (608) 266-0634
Toll-free: (888) 534-0066

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From: Gary, Aaron
Sent: Monday, January 27, 2014 9:53 AM
To: Selkowe, Vicky
Subject: Redraft of ASA2 to 2009 AB-723

Hi Vicky,

I am working on this redraft but the redraft will look very little like the ASA2 to AB-723, as the statutory context has totally changed. At the time that sub was drafted, there was statutory authority for RTAs in s. 66.1039 and the KRM authority under s. 59.58 (7) still existed. Since that time, most of the relevant statutory provisions have been repealed. Is it your intent to recreate the KRM authority as it formerly existed under s. 59.58 (7), with the modifications specified in ASA2 to AB-723, along with the new Milwaukee Transit Authority in s. 66.1038?

Thanks. Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us



State of Wisconsin
2013 - 2014 LEGISLATURE

500-
in
1/31



LRB-98002-4003/P1
ARG:eev:jm

RMNR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 AN ACT *to amend* 32.02 (11), 32.05 (1) (a), 32.07 (2), 40.02 (28), 66.0301 (1) (a),
2 66.0903 (1) (d), 67.01 (5), 70.11 (2), 71.26 (1) (b), chapter 77 (title), subchapter
3 V (title) of chapter 77 [precedes 77.70], 77.71, 77.73 (2), 77.73 (3), 77.75, 77.76
4 (1), 77.76 (2), 77.76 (4), 77.77 (1), 77.77 (3), 77.78, 85.064 (1) (b), 345.05 (2) and
5 611.11 (4) (a); *to repeal and recreate* 111.70 (1) (j); and *to create* 20.566 (1)
6 (gc), 20.835 (4) (gc), 66.1039, 77.54 (9a) (er), 77.708, 77.76 (3r) and 345.05 (1)
7 (ag) of the statutes; **relating to:** authorizing the creation of a Chippewa Valley
8 regional transit authority and making appropriations.

✓
insert
1-7

Analysis by the Legislative Reference Bureau

The 2009 Biennial Budget Act (2009 Act 28) authorized the creation of several regional transit authorities (RTAs): the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA. Under 2009 Act 28, each RTA, once created, is a public body corporate and politic and a separate governmental entity. An RTA's authority is vested in its board of directors, and its bylaws govern its management, operations, and administration. Among its powers, an RTA may operate a transportation system or provide for its operation by contracting with a public or private organization; impose, by its board of directors adopting a resolution, a sales and use tax in the RTA's jurisdictional area at a rate not exceeding 0.5 percent of the

was

could

* sales price if certain conditions ^{were} ~~are~~ satisfied; acquire property by condemnation; and issue tax-exempt revenue bonds. An RTA ~~has~~ ^{had} a duty to provide, or contract for the provision of, transit service within the RTA's jurisdictional area. ~~Rates and other charges received by an RTA must be used only for the general expenses and capital expenditures of the RTA, to pay interest, amortization, and retirement charges on the RTA's revenue bonds, and for specific purposes of the RTA and may not be transferred to any political subdivision. With respect to the Chippewa Valley RTA, Act 28 included partial vetoes of provisions that would have required a referendum before the Chippewa Valley RTA could be created or impose a sales and use tax.~~

The 2011 Biennial Budget Act (2011 Act 32) eliminated authorization to create an RTA and dissolved the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA to the extent previously created.

~~This bill restores authorization to create the Chippewa Valley RTA, with essentially the same powers and authority as provided under 2009 Act 28, except that the bill imposes the referendum requirements that were partially vetoed in Act 28. Also unlike Act 28, under the bill, if the Chippewa Valley RTA imposes a sales and use tax, a member of the RTA may not levy property taxes for transit purposes greater than the property taxes levied for transit purposes in the year before the RTA's sales and use tax is imposed.~~

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

2013-14 2014-15

20.566 Revenue, department of

(1) COLLECTION OF TAXES

(6) ^{gh} Administration of transit author-
(7) ity ~~taxes~~ ^{fees}

PR ^e S A -0- -0-

20.835 Shared revenue and tax relief

(4) COUNTY AND LOCAL TAXES

(10) ^{gh} ~~Transit authority taxes~~ ^{southeastern regional} fees

PR C -0- -0-

SECTION 2. 20.566 (1) (g) of the statutes is created to read:

~~20.566 (1) (gc) Administration of transit authority taxes. From the moneys received from the appropriation account under s. 20.835 (4) (gc), the amounts in the schedule for the purpose of administering the transit authority taxes imposed under s. 77.708. Notwithstanding s. 20.001 (3) (a), at the end of the fiscal year the unencumbered balance in this appropriation account shall be transferred to the appropriation account under s. 20.835 (4) (gc).~~

SECTION 3. 20.835 (4) (g) of the statutes is created to read:

~~20.835 (4) (gc) Transit authority taxes. All moneys received from the taxes imposed under s. 77.708, and from the appropriation account under s. 20.566 (1) (gc), for the purpose of distribution to the transit authorities that adopt a resolution imposing taxes under subch. V of ch. 77 which is affirmed by referendum, except that 1.5 percent of those tax revenues collected under subch. V of ch. 77 shall be credited to the appropriation account under s. 20.566 (1) (gc).~~

SECTION 4. 32.02 (11) of the statutes is amended to read:

32.02 (11) Any housing authority created under ss. 66.1201 to 66.1211; redevelopment authority created under s. 66.1333; community development authority created under s. 66.1335; local cultural arts district created under subch. V of ch. 229, subject to s. 229.844 (4) (c); ~~or~~ local exposition district created under subch. II of ch. 229; ~~or~~ ^{the} transit authority ^a created under s. ~~66.1039.~~ 59.58(7)

SECTION 5. 32.05 (1) (a) of the statutes is amended to read:

32.05 (1) (a) Except as provided under par. (b), a county board of supervisors or a county highway committee when so authorized by the county board of supervisors, a city council, a village board, a town board, a sewerage commission governing a metropolitan sewerage district created by ss. 200.05 or 200.21 to 200.65,

1 the secretary of transportation, a commission created by contract under s. 66.0301,
2 a joint local water authority created by contract under s. 66.0823, ^{the} ~~a transit authority~~
3 ~~created~~ ^{59.58(7)} under s. ~~66.1039~~, a housing authority under ss. 66.1201 to 66.1211, a local
4 exposition district created under subch. II of ch. 229, a local cultural arts district
5 created under subch. V of ch. 229, a redevelopment authority under s. 66.1333 or a
6 community development authority under s. 66.1335 shall make an order providing
7 for the laying out, relocation and improvement of the public highway, street, alley,
8 storm and sanitary sewers, watercourses, water transmission and distribution
9 facilities, mass transit facilities, airport, or other transportation facilities, gas or
10 leachate extraction systems to remedy environmental pollution from a solid waste
11 disposal facility, housing project, redevelopment project, cultural arts facilities,
12 exposition center or exposition center facilities which shall be known as the
13 relocation order. This order shall include a map or plat showing the old and new
14 locations and the lands and interests required. A copy of the order shall, within 20
15 days after its issue, be filed with the county clerk of the county wherein the lands are
16 located or, in lieu of filing a copy of the order, a plat may be filed or recorded in
17 accordance with s. 84.095.

18 **SECTION 6.** 32.07 (2) of the statutes is amended to read:

19 32.07 (2) The petitioner shall determine necessity if application is by the state
20 or any commission, department, board or other branch of state government or by a
21 city, village, town, county, school district, board, commission, public officer,
22 commission created by contract under s. 66.0301, joint local water authority under
23 s. 66.0823, ~~transit authority~~ ^{re} ~~created~~ ^{59.58(7)} under s. ~~66.1039~~, redevelopment authority
24 created under s. 66.1333, local exposition district created under subch. II of ch. 229,
25 local cultural arts district created under subch. V of ch. 229, housing authority

59.58 (7) or 66.1038

1 created under ss. 66.1201 to 66.1211 or for the right-of-way of a railroad up to 100
2 feet in width, for a telegraph, telephone or other electric line, for the right-of-way
3 for a gas pipeline, main or service or for easements for the construction of any
4 elevated structure or subway for railroad purposes.

5 **SECTION 7.** 40.02 (28) of the statutes is amended to read:

6 40.02 (28) "Employer" means the state, including each state agency, any
7 county, city, village, town, school district, other governmental unit or
8 instrumentality of 2 or more units of government now existing or hereafter created
9 within the state, any federated public library system established under s. 43.19
10 whose territory lies within a single county with a population of 500,000 or more, a
11 local exposition district created under subch. II of ch. 229, a transit authority created
12 under s. 66.1039, and a long-term care district created under s. 46.2895, except as
13 provided under ss. 40.51 (7) and 40.61 (3). "Employer" does not include a local
14 cultural arts district created under subch. V of ch. 229. Each employer shall be a
15 separate legal jurisdiction for OASDHI purposes.

16 **SECTION 8.** 66.0301 (1) (a) of the statutes is amended to read:

17 66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section
18 "municipality" means the state or any department or agency thereof, or any city,
19 village, town, county, school district, public library system, public inland lake
20 protection and rehabilitation district, sanitary district, farm drainage district,
21 metropolitan sewerage district, sewer utility district, solid waste management
22 system created under s. 59.70 (2), local exposition district created under subch. II of
23 ch. 229, local professional baseball park district created under subch. III of ch. 229,
24 local professional football stadium district created under subch. IV of ch. 229, local
25 cultural arts district created under subch. V of ch. 229, the transit authority created

59.58(7)
1 under s. ~~66.1039~~, long-term care district under s. 46.2895, water utility district,
2 mosquito control district, municipal electric company, county or city transit
3 commission, commission created by contract under this section, taxation district,
4 regional planning commission, housing authority created under s. 66.1201,
5 redevelopment authority created under s. 66.1333, community development
6 authority created under s. 66.1335, or city-county health department.

7 SECTION 9. 66.0903 (1) (d) of the statutes is amended to read:

8 66.0903 (1) (d) "Local governmental unit" means a political subdivision of this
9 state, a special purpose district in this state, an instrumentality or corporation of
10 such a political subdivision or special purpose district, a combination or subunit of
11 any of the foregoing or an instrumentality of the state and any of the foregoing.

12 "Local governmental unit" includes a ~~regional~~ transit authority ~~created~~ under s.
13 ~~66.1039~~. 59.58(7) or 66.1038

14 SECTION 10. 66.1039 of the statutes is created to read:

15 **66.1039 Transit authorities. (1) DEFINITIONS.** In this section:
16

17 (a) "Authority" means a transit authority created under this section.

18 (b) "Bonds" means any bonds, interim certificates, notes, debentures, or other
19 obligations of an authority issued under this section.

20 (c) "Common carrier" means any of the following:

21 1. A common motor carrier, as defined in s. 194.01 (1).

22 2. A contract motor carrier, as defined in s. 194.01 (2).

23 3. A railroad subject to ch. 195, as described in s. 195.02 (1) and (3).

24 4. A water carrier, as defined in s. 195.02 (5).

25 (d) "Comprehensive unified local transportation system" means a
transportation system that is comprised of motor bus lines and any other local public

1 transportation facilities, the major portion of which is located within, or the major
2 portion of the service of which is supplied to the inhabitants of, the jurisdictional area
3 of the authority.

4 (e) "Municipality" means any city, village, or town.

5 (f) "Participating political subdivision" means a political subdivision that is a
6 member of an authority, either from the time of creation of the authority or by later
7 joining the authority.

8 (g) "Political subdivision" means a municipality or county.

9 (h) "Transportation system" means all land, shops, structures, equipment,
10 property, franchises, and rights of whatever nature required for transportation of
11 passengers within the jurisdictional area of the authority and, only to the extent
12 specifically authorized under this section, outside the jurisdictional area of the
13 authority. "Transportation system" includes elevated railroads, subways,
14 underground railroads, motor vehicles, motor buses, and any combination thereof,
15 and any other form of mass transportation, but does not include transportation
16 excluded from the definition of "common motor carrier" under s. 194.01 (1) or charter
17 or contract operations to, from, or between points that are outside the jurisdictional
18 area of the authority.

19 (2) CREATION OF TRANSIT AUTHORITIES. (c) *Chippewa Valley regional transit*
20 *authority*. 1. The Chippewa Valley regional transit authority, a public body corporate
21 and politic and a separate governmental entity, is created if the governing body of
22 Eau Claire County adopts a resolution authorizing the county to become a member
23 of the authority and the resolution is ratified by the electors at a referendum held in
24 Eau Claire County. Once created, this authority may transact business and exercise
25 any powers granted to it under this section.

1 2. If an authority is created under subd. 1., any municipality located in whole
2 or in part within Eau Claire County shall be a member of the authority.

3 3. After an authority is created under subd. 1., Chippewa County may join the
4 authority created under subd. 1. if the governing body of Chippewa County adopts
5 a resolution to join the authority and the resolution is ratified by the electors at a
6 referendum held in Chippewa County.

7 4. If Chippewa County joins an authority as provided in subd. 3., any
8 municipality located in whole or in part within Chippewa County shall be a member
9 of the authority.

10 5. The jurisdictional area of the authority created under this paragraph is the
11 territorial boundaries of Eau Claire County or, if Chippewa County also joins the
12 authority as provided in subd. 3., the combined territorial boundaries of Eau Claire
13 County and Chippewa County.

14 6. If Chippewa County joins an authority under subd. 3. after it is created, the
15 authority shall provide the department of revenue with a certified copy of the
16 resolution that approves the joining and the referendum results ratifying the
17 resolution. The county's joining of the authority shall take effect on the first day of
18 the calendar quarter that begins at least 120 days after the department receives this
19 information.

20 **(3) TRANSIT AUTHORITY GOVERNANCE.** (a) The powers of an authority shall be
21 vested in its board of directors. Directors shall be appointed for 4-year terms. A
22 majority of the board of directors' full authorized membership constitutes a quorum
23 for the purpose of conducting the authority's business and exercising its powers.
24 Action may be taken by the board of directors upon a vote of a majority of the directors
25 present and voting, unless the bylaws of the authority require a larger number.

(d) 1. If an authority is created under sub. (2) (c), the board of directors of the authority shall be determined by resolution of the governing body of Eau Claire County or, if Chippewa County also joins the authority as provided in sub. (2) (c) 3., by resolution of the governing bodies of Eau Claire County and Chippewa County, except that all of the following shall apply:

a. The board of directors shall consist of not more than 17 members.

b. The board of directors shall include at least 3 members from Eau Claire County, appointed by the county executive and approved by the county board.

c. If Chippewa County joins the authority as provided in sub. (2) (c) 3., the board of directors shall include at least 3 members from Chippewa County, appointed by the county executive and approved by the county board.

d. The board of directors shall include at least one member from the most populous city of each county that is a member, appointed by the mayor of the city and approved by the common council of the city.

e. The board of directors shall include at least one member from the authority's jurisdictional area, appointed by the governor.

2. If Chippewa County joins the authority as provided in sub. (2) (c) 3. and the governing bodies of Eau Claire County and Chippewa County are unable to agree upon a composition of the board of directors as specified in subd. 1., the board of directors of the authority shall be limited to the minimum members specified in subd. 1. b. to e.

(fm) If any provision of this subsection provides for the appointment of a member of an authority's board of directors by the mayor of a city that has no mayor, the appointment shall instead be made by the chairperson of the common council.

If any provision of this subsection provides for the appointment of a member of an

1 authority's board of directors by the county executive of a county that has no county
2 executive, the appointment shall be made by the chairperson of the county board.

3 (g) The bylaws of an authority shall govern its management, operations, and
4 administration, consistent with the provisions of this section, and shall include
5 provisions specifying all of the following:

- 6 1. The functions or services to be provided by the authority.
- 7 2. The powers, duties, and limitations of the authority.
- 8 3. The maximum rate of the taxes that may be imposed by the authority under
9 sub. (4) (s), not to exceed the maximum rate specified in s. 77.708 (1).
- 10 4. The composition of the board of directors of the authority, as determined
11 under par. (d).

12 (4) POWERS. Notwithstanding s. 59.84 (2) and any other provision of this
13 chapter or ch. 59 or 85, an authority may do all of the following, to the extent
14 authorized in the authority's bylaws:

15 (a) Establish, maintain, and operate a comprehensive unified local
16 transportation system primarily for the transportation of persons.

17 (b) Acquire a comprehensive unified local transportation system and provide
18 funds for the operation and maintenance of the system. Upon the acquisition of a
19 comprehensive unified local transportation system, the authority may:

- 20 1. Operate and maintain it or lease it to an operator or contract for its use by
21 an operator.
- 22 2. Contract for superintendence of the system with an organization that has
23 personnel with the requisite experience and skill.

1 3. Delegate responsibility for the operation and maintenance of the system to
2 an appropriate administrative officer, board, or commission of a participating
3 political subdivision.

4 4. Maintain and improve railroad rights-of-way and improvements on these
5 rights-of-way for future use.

6 (c) Contract with a public or private organization to provide transportation
7 services in lieu of directly providing these services.

8 (d) Purchase and lease transportation facilities to public or private transit
9 companies that operate within and outside the jurisdictional area.

10 (e) Apply for federal aids to purchase transportation facilities considered
11 essential for the authority's operation.

12 (f) Coordinate specialized transportation services, as defined in s. 85.21 (2) (g),
13 for residents who reside within the jurisdictional area and who are disabled or aged
14 60 or older, including services funded under 42 USC 3001 to 3057n, 42 USC 5001, and
15 42 USC 5011 (b), under ss. 49.43 to 49.499 and 85.21, and under other public funds
16 administered by the county. An authority may contract with a county that is a
17 participating political subdivision for the authority to provide specialized
18 transportation services, but an authority is not an eligible applicant under s. 85.21
19 (2) (e) and may not receive payments directly from the department of transportation
20 under s. 85.21.

21 (g) Acquire, own, hold, use, lease as lessor or lessee, sell or otherwise dispose
22 of, mortgage, pledge, or grant a security interest in any real or personal property or
23 service.

24 (h) Acquire property by condemnation using the procedure under s. 32.05 for
25 the purposes set forth in this section.

1 (i) Enter upon any state, county, or municipal street, road, or alley, or any public
2 highway for the purpose of installing, maintaining, and operating the authority's
3 facilities. Whenever the work is to be done in a state, county, or municipal highway,
4 street, road, or alley, the public authority having control thereof shall be duly
5 notified, and the highway, street, road, or alley shall be restored to as good a condition
6 as existed before the commencement of the work with all costs incident to the work
7 to be borne by the authority.

8 (j) Fix, maintain, and revise fees, rates, rents, and charges for functions,
9 facilities, and services provided by the authority.

10 (k) Make, and from time to time amend and repeal, bylaws, rules, and
11 regulations to carry into effect the powers and purposes of the authority.

12 (L) Sue and be sued in its own name.

13 (m) Have and use a corporate seal.

14 (n) Employ agents, consultants, and employees, engage professional services,
15 and purchase such furniture, stationery, and other supplies and materials as are
16 reasonably necessary to perform its duties and exercise its powers.

17 (o) Incur debts, liabilities, or obligations including the borrowing of money and
18 the issuance of bonds under subs. (7) and (10).

19 (p) Invest any funds held in reserve or sinking funds, or any funds not required
20 for immediate disbursement, including the proceeds from the sale of any bonds, in
21 such obligations, securities, and other investments as the authority deems proper in
22 accordance with s. 66.0603 (1m).

23 (q) Do and perform any acts and things authorized by this section under,
24 through, or by means of an agent or by contracts with any person.

1 (r) Exercise any other powers that the board of directors considers necessary
2 and convenient to effectuate the purposes of the authority, including providing for
3 passenger safety.

4 (s) 1. Impose, by the adoption of a resolution by the board of directors, the taxes
5 under subch. V of ch. 77 in the authority's jurisdictional area. If an authority adopts
6 a resolution to impose the taxes, it shall deliver a certified copy of the resolution to
7 the department of revenue at least 120 days before its effective date. The authority
8 may, by adoption of a resolution by the board of directors, repeal the imposition of
9 taxes under subch. V of ch. 77 and shall deliver a certified copy of the repeal
10 resolution to the department of revenue at least 120 days before its effective date.

11 2. If an authority adopts a resolution to impose the tax, as provided in subd.
12 1., an authority shall specify to the department of revenue, as provided in this
13 subdivision, the exact boundaries of the authority's jurisdictional area. If the
14 boundaries are the same as the county lines on all sides of the authority's
15 jurisdictional area, the resolution shall specify the county or counties that comprise
16 the authority's entire jurisdictional area. If the boundaries are other than a county
17 line on any side of the authority's jurisdictional area, the authority shall provide the
18 department with a complete list of all the 9-digit zip codes that are entirely within
19 the authority's jurisdictional area and a complete list of all the street addresses that
20 are within the authority's jurisdictional area and not included in any 9-digit zip code
21 that is entirely within the authority's jurisdictional area. The authority shall
22 provide a certified copy of the information required under this subdivision to the
23 department, in the manner, format, and layout prescribed by the department, at
24 least 120 days prior to the first day of the calendar quarter before the effective date
25 of the tax imposed under subd. 1. If the boundaries of the authority's jurisdictional

1 area subsequently change, the authority shall submit a certified copy of the
2 information required under this subdivision to the department at least 120 days
3 prior to the first day of the calendar quarter before the effective date of such change,
4 in the manner, format, and layout prescribed by the department.

5 3. Notwithstanding subd. 1., an authority created under sub. (2) (c) may not
6 impose the taxes authorized under subd. 1. unless the authorizing resolution or
7 resolutions under sub. (2) (c) 1. and, if applicable, sub. (2) (c) 3., as well as the
8 referendum question on the referendum ballot specified in sub. (2) (c) 1. and, if
9 applicable, sub. (2) (c) 3., each clearly identifies the maximum rate of the taxes that
10 may be imposed by the authority under subd. 1.

11 4. If an authority created under sub. (2) (c) adopts a resolution to impose the
12 taxes under subd. 1., no political subdivision that is a member of the authority may
13 levy property taxes for transit purposes in excess of the amount of property taxes
14 levied for transit purposes in the year before the year in which the taxes are imposed
15 under subd. 1.

16 (5) LIMITATIONS ON AUTHORITY POWERS. (a) Notwithstanding sub. (4) (a), (b), (c),
17 (d), (q), and (r), no authority, and no public or private organization with which an
18 authority has contracted for service, may provide service outside the jurisdictional
19 area of the authority unless the authority receives financial support for the service
20 under a contract with a public or other private organization for the service or unless
21 it is necessary in order to provide service to connect residents within the authority's
22 jurisdictional area to transit systems in adjacent counties.

23 (b) Whenever the proposed operations of an authority would be competitive
24 with the operations of a common carrier in existence prior to the time the authority
25 commences operations, the authority shall coordinate proposed operations with the

1 common carrier to eliminate adverse financial impact for the carrier. This
2 coordination may include route overlapping, transfers, transfer points, schedule
3 coordination, joint use of facilities, lease of route service, and acquisition of route and
4 corollary equipment. If this coordination does not result in mutual agreement, the
5 proposals of the authority and the common carrier shall be submitted to the
6 department of transportation for arbitration.

7 (c) In exercising its powers under sub. (4), an authority shall consider any plan
8 of a metropolitan planning organization under 23 USC 134 that covers any portion
9 of the authority's jurisdictional area.

10 **(6) AUTHORITY OBLIGATIONS TO EMPLOYEES OF MASS TRANSPORTATION SYSTEMS.** (a)
11 An authority acquiring a comprehensive unified local transportation system for the
12 purpose of the authority's operation of the system shall assume all of the employer's
13 obligations under any contract between the employees and management of the
14 system to the extent allowed by law.

15 (b) An authority acquiring, constructing, controlling, or operating a
16 comprehensive unified local transportation system shall negotiate an agreement
17 with the representative of the labor organization that covers the employees affected
18 by the acquisition, construction, control, or operation to protect the interests of
19 employees affected. This agreement shall include all of the provisions identified in
20 s. 59.58 (4) (b) 1. to 8. and may include provisions identified in s. 59.58 (4) (c). An
21 affected employee has all the rights and the same status under subch. IV of ch. 111
22 that he or she enjoyed immediately before the acquisition, construction, control, or
23 operation and may not be required to serve a probationary period if he or she attained
24 permanent status before the acquisition, construction, control, or operation.

1 (c) In all negotiations under this subsection, a senior executive officer of the
2 authority shall be a member of the authority's negotiating body.

3 (7) BONDS; GENERALLY. (a) An authority may issue bonds, the principal and
4 interest on which are payable exclusively from all or a portion of any revenues
5 received by the authority. The authority may secure its bonds by a pledge of any
6 income or revenues from any operations, rent, aids, grants, subsidies, contributions,
7 or other source of moneys whatsoever.

8 (b) An authority may issue bonds in such principal amounts as the authority
9 deems necessary.

10 (c) 1. Neither the members of the board of directors of an authority nor any
11 person executing the bonds is personally liable on the bonds by reason of the issuance
12 of the bonds.

13 2. The bonds of an authority are not a debt of the participating political
14 subdivisions. Neither the participating political subdivisions nor the state are liable
15 for the payment of the bonds. The bonds of any authority shall be payable only out
16 of funds or properties of the authority. The bonds of the authority shall state the
17 restrictions contained in this paragraph on the face of the bonds.

18 (8) ISSUANCE OF BONDS. (a) Bonds of an authority shall be authorized by
19 resolution of the board of directors. The bonds may be issued under such a resolution
20 or under a trust indenture or other security instrument. The bonds may be issued
21 in one or more series and may be in the form of coupon bonds or registered bonds
22 under s. 67.09. The bonds shall bear the dates, mature at the times, bear interest
23 at the rates, be in the denominations, have the rank or priority, be executed in the
24 manner, be payable in the medium of payment and at the places, and be subject to
25 the terms of redemption, with or without premium, as the resolution, trust

1 indenture, or other security instrument provides. Bonds of an authority are issued
2 for an essential public and governmental purpose and are public instrumentalities
3 and, together with interest and income, are exempt from taxes.

4 (b) The authority may sell the bonds at public or private sales at the price or
5 prices determined by the authority.

6 (c) If an officer whose signatures appear on any bonds or coupons ceases to be
7 an officer of the authority before the delivery of the bonds or coupons, the officer's
8 signature shall, nevertheless, be valid for all purposes as if the officer had remained
9 in office until delivery of the bonds or coupons.

10 (9) COVENANTS. An authority may do all of the following in connection with the
11 issuance of bonds:

12 (a) Covenant as to the use of any or all of its property, real or personal.

13 (b) Redeem the bonds, or covenant for the redemption of the bonds, and provide
14 the terms and conditions of the redemption.

15 (c) Covenant as to charge fees, rates, rents, and charges sufficient to meet
16 operating and maintenance expenses, renewals, and replacements of any
17 transportation system, principal and debt service on bond creation and maintenance
18 of any reserves required by a bond resolution, trust indenture, or other security
19 instrument and to provide for any margins or coverages over and above debt service
20 on the bonds that the board of directors considers desirable for the marketability of
21 the bonds.

22 (d) Covenant as to the events of default on the bonds and the terms and
23 conditions upon which the bonds shall become or may be declared due before
24 maturity, as to the terms and conditions upon which this declaration and its

1 consequences may be waived, and as to the consequences of default and the remedies
2 of bondholders.

3 (e) Covenant as to the mortgage or pledge of, or the grant of a security interest
4 in, any real or personal property and all or any part of the revenues of the authority
5 to secure the payment of bonds, subject to any agreements with the bondholders.

6 (f) Covenant as to the custody, collection, securing, investment, and payment
7 of any revenues, assets, moneys, funds, or property with respect to which the
8 authority may have any rights or interest.

9 (g) Covenant as to the purposes to which the proceeds from the sale of any bonds
10 may be applied, and as to the pledge of such proceeds to secure the payment of the
11 bonds.

12 (h) Covenant as to limitations on the issuance of any additional bonds, the
13 terms upon which additional bonds may be issued and secured, and the refunding
14 of outstanding bonds.

15 (i) Covenant as to the rank or priority of any bonds with respect to any lien or
16 security.

17 (j) Covenant as to the procedure by which the terms of any contract with or for
18 the benefit of the holders of bonds may be amended or abrogated, the amount of
19 bonds, the holders of which must consent thereto, and the manner in which such
20 consent may be given.

21 (k) Covenant as to the custody and safekeeping of any of its properties or
22 investments, the insurance to be carried on the property or investments, and the use
23 and disposition of insurance proceeds.

1 (L) Covenant as to the vesting in one or more trustees, within or outside the
2 state, of those properties, rights, powers, and duties in trust as the authority
3 determines.

4 (m) Covenant as to the appointing of, and providing for the duties and
5 obligations of, one or more paying agent or other fiduciaries within or outside the
6 state.

7 (n) Make all other covenants and do any act that may be necessary or
8 convenient or desirable in order to secure its bonds or, in the absolute discretion of
9 the authority, tend to make the bonds more marketable.

10 (o) Execute all instruments necessary or convenient in the exercise of the
11 powers granted under this section or in the performance of covenants or duties,
12 which may contain such covenants and provisions as a purchaser of the bonds of the
13 authority may reasonably require.

14 (10) REFUNDING BONDS. An authority may issue refunding bonds for the
15 purpose of paying any of its bonds at or prior to maturity or upon acceleration or
16 redemption. An authority may issue refunding bonds at such time prior to the
17 maturity or redemption of the refunded bonds as the authority deems to be in the
18 public interest. The refunding bonds may be issued in sufficient amounts to pay or
19 provide the principal of the bonds being refunded, together with any redemption
20 premium on the bonds, any interest accrued or to accrue to the date of payment of
21 the bonds, the expenses of issue of the refunding bonds, the expenses of redeeming
22 the bonds being refunded, and such reserves for debt service or other capital or
23 current expenses from the proceeds of such refunding bonds as may be required by
24 the resolution, trust indenture, or other security instruments. To the extent
25 applicable, refunding bonds are subject to subs. (8) and (9).

1 **(11) BONDS ELIGIBLE FOR INVESTMENT.** (a) Any of the following may invest funds,
2 including capital in their control or belonging to them, in bonds of the authority:

- 3 1. Public officers and agencies of the state.
- 4 2. Local governmental units, as defined in s. 19.42 (7u).
- 5 3. Insurance companies.
- 6 4. Trust companies.
- 7 5. Banks.
- 8 6. Savings banks.
- 9 7. Savings and loan associations.
- 10 8. Investment companies.
- 11 9. Personal representatives.
- 12 10. Trustees.
- 13 11. Other fiduciaries not listed in this paragraph.

14 (b) The authority's bonds are securities that may be deposited with and
15 received by any officer or agency of the state or any local governmental unit, as
16 defined in s. 19.42 (7u), for any purpose for which the deposit of bonds or obligations
17 of the state or any local governmental unit is authorized by law.

18 **(12) BUDGETS; RATES AND CHARGES; AUDIT.** The board of directors of an authority
19 shall annually prepare a budget for the authority. Rates and other charges received
20 by an authority shall be used only for the general expenses and capital expenditures
21 of the authority, to pay interest, amortization, and retirement charges on bonds, and
22 for specific purposes of the authority and may not be transferred to any political
23 subdivision. The authority shall maintain an accounting system in accordance with
24 generally accepted accounting principles and shall have its financial statements and
25 debt covenants audited annually by an independent certified public accountant.

1 **(13) WITHDRAWAL FROM AUTHORITY.** (a) A participating political subdivision that
2 becomes a member of an authority under sub. (2) (c) 4. shall withdraw from the
3 authority if the county in which the municipality is located withdraws from the
4 authority under this subsection and a participating political subdivision that joined
5 an authority under sub. (2) (c) 3. may withdraw from an authority if all of the
6 following conditions are met:

7 1. The governing body of the political subdivision adopts a resolution
8 requesting withdrawal of the political subdivision from the authority.

9 2. The political subdivision has paid, or made provision for the payment of, all
10 obligations of the political subdivision to the authority.

11 (b) If a participating political subdivision withdraws from an authority, the
12 authority shall provide the department of revenue with a certified copy of the
13 resolution that approves the withdrawal. The withdrawal is effective on the first day
14 of the calendar quarter that begins at least 120 days after the department receives
15 the certified copy of the resolution approving the withdrawal. If the authority from
16 which the political subdivision withdraws continues to exist after the withdrawal,
17 the authority shall provide information describing the exact boundaries of its
18 jurisdictional area, as provided in sub. (4) (s) 2.

19 **(14) DUTY TO PROVIDE TRANSIT SERVICE.** An authority shall provide, or contract
20 for the provision of, transit service within the authority's jurisdictional area.

21 **(17) OTHER STATUTES.** This section does not limit the powers of political
22 subdivisions to enter into intergovernmental cooperation or contracts or to establish
23 separate legal entities under s. 66.0301 or 66.1021 or any other applicable law, or
24 otherwise to carry out their powers under applicable statutory provisions. Section
25 66.0803 (2) does not apply to an authority.

1 **SECTION 11.** 67.01 (5) of the statutes is amended to read:

2 ~~67.01 (5) "Municipality" means any of the following which is authorized to levy~~
3 ~~a tax: a county, city, village, town, school district, board of park commissioners,~~
4 ~~technical college district, metropolitan sewerage district created under ss. 200.01 to~~
5 ~~200.15 or 200.21 to 200.65, town sanitary district under subch. IX of ch. 60, transit~~
6 ~~authority created under s. 66.1039, public inland lake protection and rehabilitation~~
7 ~~district established under s. 33.23, 33.235, or 33.24, and any other public body~~
8 ~~empowered to borrow money and issue obligations to repay the money out of public~~
9 ~~funds or revenues. "Municipality" does not include the state.~~

10 **SECTION 12.** 70.11 (2) of the statutes is amended to read:

11 70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.
12 Property owned by any county, city, village, town, school district, technical college
13 district, public inland lake protection and rehabilitation district, metropolitan
14 sewerage district, municipal water district created under s. 198.22, joint local water
15 authority created under s. 66.0823, transit authority created under s. 66.1039,
16 long-term care district under s. 46.2895 or town sanitary district; lands belonging
17 to cities of any other state used for public parks; land tax-deeded to any county or
18 city before January 2; but any residence located upon property owned by the county
19 for park purposes that is rented out by the county for a nonpark purpose shall not
20 be exempt from taxation. Except as to land acquired under s. 59.84 (2) (d), this
21 exemption shall not apply to land conveyed after August 17, 1961, to any such
22 governmental unit or for its benefit while the grantor or others for his or her benefit
23 are permitted to occupy the land or part thereof in consideration for the conveyance.
24 Leasing the property exempt under this subsection, regardless of the lessee and the
25 use of the leasehold income, does not render that property taxable.

59.58(7) or
66.1038

1 SECTION 13. 71.26 (1) (b) of the statutes is amended to read:

2 71.26 (1) (b) *Political units*. Income received by the United States, the state
3 and all counties, cities, villages, towns, school districts, technical college districts,
4 joint local water authorities created under s. 66.0823, transit authorities created
5 under s. 66.1039⁸, long-term care districts under s. 46.2895 or other political units
6 of this state.

7 SECTION 14. Chapter 77 (title) of the statutes is amended to read:

8 CHAPTER 77

9 TAXATION OF FOREST CROPLANDS;

10 REAL ESTATE TRANSFER FEES;

11 SALES AND USE TAXES; COUNTY,

12 TRANSIT AUTHORITY, AND SPECIAL

13 DISTRICT SALES AND USE TAXES;

14 MANAGED FOREST LAND; ECONOMIC

15 DEVELOPMENT SURCHARGE; LOCAL FOOD

16 AND BEVERAGE TAX; LOCAL RENTAL

17 CAR TAX; PREMIER RESORT AREA

18 TAXES; STATE RENTAL VEHICLE FEE;

19 DRY CLEANING FEES

20 SECTION 15. 77.54 (9a) (er) of the statutes is created to read:

21 77.54 (9a) (er) Any transit authority created under s. 66.1039⁸.

22 SECTION 16. Subchapter V (title) of chapter 77 [precedes 77.70] of the statutes
23 is amended to read:

24 CHAPTER 77

25 SUBCHAPTER V

1 COUNTY, TRANSIT AUTHORITY, AND
2 SPECIAL DISTRICT SALES AND USE
3 TAXES

4 ~~SECTION 17. 77.708 of the statutes is created to read:~~

5 ~~**77.708 Adoption by resolution and referendum; transit authority. (1)**~~

6 A transit authority created under s. 66.1039, by resolution and referendum under s.
7 66.1039 (4) (s), may impose a sales tax and a use tax under this subchapter at a rate
8 of 0.1, 0.2, 0.3, 0.4, or 0.5 percent of the sales price or purchase price. Those taxes
9 may be imposed only in their entirety. The resolution and referendum shall be
10 effective on the first day of the first calendar quarter that begins at least 120 days
11 after a certified copy of the resolution and affirmative result of the referendum are
12 delivered to the department of revenue.

13 (2) Retailers and the department of revenue may not collect a tax under sub.
14 (1) for any transit authority created under s. 66.1039 beginning on the first day of
15 the calendar quarter that is at least 120 days after a certified copy of the repeal
16 resolution under s. 66.1039 (4) (s) is delivered to the department of revenue, except
17 that the department of revenue may collect from retailers taxes that accrued before
18 such calendar quarter and fees, interest, and penalties that relate to those taxes.

19 ~~SECTION 18. 77.71 of the statutes is amended to read:~~

20 ~~**77.71 Imposition of county, transit authority, and special district sales**~~
21 ~~**and use taxes.**~~ Whenever a county sales and use tax ordinance is adopted under
22 ~~s. 77.70, a transit authority resolution is adopted under s. 77.708 and affirmed by~~
23 ~~referendum, or a special district resolution is adopted under s. 77.705 or 77.706, the~~
24 ~~following taxes are imposed:~~

(1) For the privilege of selling, licensing, leasing, or renting tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), and for the privilege of selling, licensing, performing, or furnishing services a sales tax is imposed upon retailers at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price from the sale, license, lease, or rental of tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property taxed under sub. (4), sold, licensed, leased, or rented at retail in the county or, special district, or transit authority's jurisdictional area, or from selling, licensing, performing, or furnishing services described under s. 77.52 (2) in the county or, special district, or transit authority's jurisdictional area.

(2) An excise tax is imposed at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming in the county or, special district, or transit authority's jurisdictional area tangible personal property, or items, property, or goods specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal property, item, property, good, or service is subject to the state use tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3), or (4) has been paid relieves the buyer of liability for the tax under this subsection and except that if the buyer has paid a similar local tax in another state on a purchase of the same tangible personal property, item, property, good, or service that tax shall be credited against the tax under this subsection and except that for motor vehicles that are used for a purpose in addition to retention, demonstration, or display while

1 held for sale in the regular course of business by a dealer the tax under this
2 subsection is imposed not on the purchase price but on the amount under s. 77.53
3 (1m).

4 (3) An excise tax is imposed upon a contractor engaged in construction
5 activities within the county ~~or, special district, or transit authority's jurisdictional~~
6 ~~area~~, at the rates under s. 77.70 in the case of a county tax, ~~at the rate under s. 77.708~~
7 ~~in the case of a transit authority tax~~, or at the rate under s. 77.705 or 77.706 in the
8 case of a special district tax of the purchase price of tangible personal property or
9 items, property, or goods under s. 77.52 (1) (b), (c), or (d) that are used in constructing,
10 altering, repairing, or improving real property and that became a component part of
11 real property in that county or special district ~~or in the transit authority's~~
12 ~~jurisdictional area~~, except that if the contractor has paid the sales tax of a county,
13 ~~transit authority~~, or special district in this state on that tangible personal property,
14 item, property, or good, or has paid a similar local sales tax in another state on a
15 purchase of the same tangible personal property, item, property, or good, that tax
16 shall be credited against the tax under this subsection.

17 (4) An excise tax is imposed at the rates under s. 77.70 in the case of a county
18 tax, ~~at the rate under s. 77.708 in the case of a transit authority tax~~, or at the rate
19 under s. 77.705 or 77.706 in the case of a special district tax of the purchase price
20 upon every person storing, using, or otherwise consuming a motor vehicle, boat,
21 recreational vehicle, as defined in s. 340.01 (48r), or aircraft, if that property must
22 be registered or titled with this state and if that property is to be customarily kept
23 in a county that has in effect an ordinance under s. 77.70, ~~the jurisdictional area of~~
24 ~~a transit authority that has in effect a resolution under s. 77.708~~, or in a special
25 district that has in effect a resolution under s. 77.705 or 77.706, except that if the

1 buyer has paid a similar local sales tax in another state on a purchase of the same
2 property that tax shall be credited against the tax under this subsection.

3 **SECTION 19.** 77.73 (2) of the statutes is amended to read:

4 77.73 (2) Counties ~~and, special districts, and transit authorities~~ do not have
5 jurisdiction to impose the tax under s. 77.71 (2) in regard to items, property, and
6 goods under s. 77.52 (1) (b), (c), and (d), and tangible personal property, except
7 snowmobiles, trailers, semitrailers, all-terrain vehicles, and utility terrain vehicles,
8 purchased in a sale that is consummated in another county or special district in this
9 state, ~~or in another transit authority's jurisdictional area,~~ that does not have in effect
10 an ordinance or resolution imposing the taxes under this subchapter and later
11 brought by the buyer into the county ~~or, special district, or jurisdictional area of the~~
12 ~~transit authority~~ that has imposed a tax under s. 77.71 (2).

13 **SECTION 20.** 77.73 (3) of the statutes is amended to read:

14 77.73 (3) Counties ~~and, special districts, and transit authorities~~ have
15 jurisdiction to impose the taxes under this subchapter on retailers who file, or who
16 are required to file, an application under s. 77.52 (7) or who register, or who are
17 required to register, under s. 77.53 (9) or (9m), regardless of whether such retailers
18 are engaged in business in the county ~~or, special district, or transit authority's~~
19 ~~jurisdictional area,~~ as provided in s. 77.51 (13g). A retailer who files, or is required
20 to file, an application under s. 77.52 (7) or who registers, or is required to register,
21 under s. 77.53 (9) or (9m) shall collect, report, and remit to the department the taxes
22 imposed under this subchapter for all counties ~~or, special districts, and transit~~
23 ~~authorities~~ that have an ordinance or resolution imposing the taxes under this
24 subchapter.

25 **SECTION 21.** 77.75 of the statutes is amended to read:

1 **77.75 Reports.** Every person subject to county, transit authority, or special
2 district sales and use taxes shall, for each reporting period, record that person's sales
3 made in the county ~~or, special district, or jurisdictional area of a transit authority~~
4 that has imposed those taxes separately from sales made elsewhere in this state and
5 file a report as prescribed by the department of revenue.

6 **SECTION 22.** 77.76 (1) of the statutes is amended to read:

7 **77.76 (1)** The department of revenue shall have full power to levy, enforce, and
8 collect county, transit authority, and special district sales and use taxes and may take
9 any action, conduct any proceeding, impose interest and penalties, and in all respects
10 proceed as it is authorized to proceed for the taxes imposed by subch. III. The
11 department of transportation and the department of natural resources may
12 administer the county, transit authority, and special district sales and use taxes in
13 regard to items under s. 77.61 (1).

14 **SECTION 23.** 77.76 (2) of the statutes is amended to read:

15 **77.76 (2)** Judicial and administrative review of departmental determinations
16 shall be as provided in subch. III for state sales and use taxes, and no county, transit
17 authority, or special district may intervene in any matter related to the levy,
18 enforcement, and collection of the taxes under this subchapter.

19 **SECTION 24.** 77.76 (3r) of the statutes is created to read:

20 **77.76 (3r)** From the appropriation under s. 20.835 (4) (gc) the department of
21 revenue shall distribute 98.5 percent of the taxes reported for each transit authority
22 that has imposed taxes under this subchapter, minus the transit authority portion
23 of the retailers' discount, to the transit authority no later than the end of the 3rd
24 month following the end of the calendar quarter in which such amounts were
25 reported. At the time of distribution the department of revenue shall indicate the

1 taxes reported by each taxpayer. In this subsection, the "transit authority portion
2 of the retailers' discount" is the amount determined by multiplying the total
3 retailers' discount by a fraction the numerator of which is the gross transit authority
4 sales and use taxes payable and the denominator of which is the sum of the gross
5 state and transit authority sales and use taxes payable. The transit authority taxes
6 distributed shall be increased or decreased to reflect subsequent refunds, audit
7 adjustments, and all other adjustments of the transit authority taxes previously
8 distributed. Interest paid on refunds of transit authority sales and use taxes shall
9 be paid from the appropriation under s. 20.835 (4) (gc) at the rate paid by this state
10 under s. 77.60 (1) (a). Any transit authority receiving a report under this subsection
11 is subject to the duties of confidentiality to which the department of revenue is
12 subject under s. 77.61 (5).

13 **SECTION 25.** 77.76 (4) of the statutes is amended to read:

14 77.76 (4) There shall be retained by the state 1.5% of the taxes collected for
15 taxes imposed by special districts under ss. 77.705 and 77.706 and transit authorities
16 under s. 77.708 and 1.75% of the taxes collected for taxes imposed by counties under
17 s. 77.70 to cover costs incurred by the state in administering, enforcing, and
18 collecting the tax. All interest and penalties collected shall be deposited and retained
19 by this state in the general fund.

20 **SECTION 26.** 77.77 (1) of the statutes is amended to read:

21 77.77 (1) (a) The sales price from services subject to the tax under s. 77.52 (2)
22 or the lease, rental, or license of tangible personal property and property, items, and
23 goods specified under s. 77.52 (1) (b), (c), and (d), is subject to the taxes under this
24 subchapter, and the incremental amount of tax caused by a rate increase applicable
25 to those services, leases, rentals, or licenses is due, beginning with the first billing

1 period starting on or after the effective date of the county ordinance, special district
2 resolution, transit authority resolution, or rate increase, regardless of whether the
3 service is furnished or the property, item, or good is leased, rented, or licensed to the
4 customer before or after that date.

5 (b) The sales price from services subject to the tax under s. 77.52 (2) or the lease,
6 rental, or license of tangible personal property and property, items, and goods
7 specified under s. 77.52 (1) (b), (c), and (d), is not subject to the taxes under this
8 subchapter, and a decrease in the tax rate imposed under this subchapter on those
9 services first applies, beginning with bills rendered on or after the effective date of
10 the repeal or sunset of a county ordinance or, special district resolution, or transit
11 authority resolution imposing the tax or other rate decrease, regardless of whether
12 the service is furnished or the property, item, or good is leased, rented, or licensed
13 to the customer before or after that date.

14 **SECTION 27.** 77.77 (3) of the statutes is amended to read:

15 77.77 (3) The sale of building materials to contractors engaged in the business
16 of constructing, altering, repairing or improving real estate for others is not subject
17 to the taxes under this subchapter, and the incremental amount of tax caused by the
18 rate increase applicable to those materials is not due, if the materials are affixed and
19 made a structural part of real estate, and the amount payable to the contractor is
20 fixed without regard to the costs incurred in performing a written contract that was
21 irrevocably entered into prior to the effective date of the county ordinance, special
22 district resolution, transit authority resolution, or rate increase or that resulted from
23 the acceptance of a formal written bid accompanied by a bond or other performance
24 guaranty that was irrevocably submitted before that date.

25 **SECTION 28.** 77.78 of the statutes is amended to read:

insert 31-1

77.78 Registration. No motor vehicle, boat, snowmobile, recreational vehicle, as defined in s. 340.01 (48r), trailer, semitrailer, all-terrain vehicle, utility terrain vehicle, or aircraft that is required to be registered by this state may be registered or titled by this state unless the registrant files a sales and use tax report and pays the county tax, transit authority tax, and special district tax at the time of registering or titling to the state agency that registers or titles the property. That state agency shall transmit those tax revenues to the department of revenue.

SECTION 29. 85.064 (1) (b) of the statutes is amended to read:

85.064 (1) (b) "Political subdivision" means any city, village, town, county, or transit commission organized under s. 59.58 (2) or 66.1021 or recognized under s. 66.030 ^{keep} or transit authority created under s. ^{59.58(7)} 66.1039 within this state. *move to end of sentence*

SECTION 30. 111.70 (1) (j) of the statutes is repealed and recreated to read:

111.70 (1) (j) "Municipal employer" means any city, county, village, town, metropolitan sewerage district, school district, long-term care district, transit authority under s. ^{59.58(7)} 66.1039, local cultural arts district created under subch. V of ch. 229, or any other political subdivision of the state, or instrumentality of one or more political subdivisions of the state, that engages the services of an employee and includes any person acting on behalf of a municipal employer within the scope of the person's authority, express or implied.

SECTION 31. 345.05 (1) (ag) of the statutes is created to read:

345.05 (1) (ag) "Authority" means a transit authority created under s. 66.1039. *59.58(7) or 8*

SECTION 32. 345.05 (2) of the statutes is amended to read:

345.05 (2) A person suffering any damage proximately resulting from the negligent operation of a motor vehicle owned and operated by a municipality or authority, which damage was occasioned by the operation of the motor vehicle in the

1 course of its business, may file a claim for damages against the municipality or
2 authority concerned and the governing body of the municipality, or the board of
3 directors of the authority, may allow, compromise, settle and pay the claim. In this
4 subsection, a motor vehicle is deemed owned and operated by a municipality or
5 authority if the vehicle is either being rented or leased, or is being purchased under
6 a contract whereby the municipality or authority will acquire title.

7 **SECTION 33.** 611.11 (4) (a) of the statutes is amended to read:

8 611.11 (4) (a) In this subsection, "municipality" has the meaning given in s.
9 345.05 (1) (c), but also includes any transit authority created under s. 66.1039. ^{59.58(7) or}

10 **SECTION 34. Nonstatutory provisions.**

11 (1) INITIAL TERMS OF CHIPPEWA VALLEY REGIONAL TRANSIT AUTHORITY.
12 Notwithstanding the length of terms specified for members of the board of directors
13 of the Chippewa Valley regional transit authority under section 66.1039 (2) (c) and
14 (3) (a) of the statutes, as created by this act, the initial terms shall be 2 years for each
15 of the following:

16 (a) One of the members appointed under section 66.1039 (3) (d) 1. b. of the
17 statutes, as created by this act.

18 (b) One of the members appointed under section 66.1039 (3) (d) 1. c. of the
19 statutes, as created by this act, if applicable.

20 (c) Each member appointed under section 66.1039 (3) (d) 1. d. of the statutes,
21 as created by this act.

22 (END)



State of Wisconsin
2009 - 2010 LEGISLATURE

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ASSEMBLY SUBSTITUTE AMENDMENT 2.
TO 2009 ASSEMBLY BILL 723

INSERTS

March 15, 2010 - Offered by Representatives MASON, GRIGSBY, SINICKI and ZERNIK.

the creation of a

1 AN ACT *to repeal* 59.58 (6); *to amend* 32.02 (11), 32.05 (1) (a), 32.07 (2), 40.02
2 (28), 59.58 (7) (a) 1., 59.58 (7) (b), 59.58 (7) (d), 59.58 (7) (e) 2., 59.58 (7) (f) 2.,
3 59.58 (7) (f) 4., 59.58 (7) (g), 59.58 (7) (i), 59.58 (7) (j), 66.0301 (1) (a), 66.0903
4 (1) (d), 70.11 (2), 71.26 (1) (b), 77.54 (9a) (er), 85.063 (3) (b) 1., 85.20 (4m) (a)
5 (intro.), 85.20 (4m) (a) 6. e., 85.20 (4s), 111.70 (1) (j), 345.05 (1) (ag) and 611.11
6 (4) (a); and *to create* 20.395 (1) (hy), 59.58 (7) (a) 4., 59.58 (7) (dm), 59.58 (7)
7 (e) 3., 59.58 (7) (k), 59.58 (7) (L), 59.58 (7) (m), 59.58 (7) (n), 59.58 (7) (o), 59.58
8 (7) (p), 66.1038, 74.09 (3) (gd), 77.70 (2) and 85.20 (4m) (a) 6. f. of the statutes;
9 relating to: ~~the~~ Southeastern Regional Transit Authority ~~and~~ creating a
10 Milwaukee Transit Authority and making an appropriation.

Analysis by the Legislative Reference Bureau

Prior to the ~~2009~~ ~~Wisconsin~~ Budget Act, 2009 Wisconsin Act 28 (~~Act 28~~), the counties of Kenosha, Racine, and Milwaukee were required to create a Regional Transit Authority (the KRM authority). The KRM authority was responsible for the

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coordination of transit and commuter rail programs within these three counties but had no authority to manage or operate any transit system. The KRM authority was authorized to impose a rental car transaction fee within these three counties, which fee was to be used to hire staff, conduct studies, and prepare a report to the legislature and the governor, due by November 15, 2008.

Act 28 terminated the KRM authority as of October 1, 2009, and created a successor entity, the Southeastern Regional Transit Authority (SERTA). The SERTA is a public body corporate and politic and a separate governmental entity; it consists of the counties of Kenosha, Racine, and Milwaukee. The jurisdictional area of the SERTA is the geographic area formed by the combined territorial boundaries of the counties of Kenosha, Racine, and Milwaukee. The powers of the SERTA are vested in its board of directors. The SERTA's powers are limited but include all powers necessary and convenient to create, construct, and manage a commuter rail transit system connecting the cities of Kenosha, Racine, and Milwaukee (KRM commuter rail line).

(no 4) Under current law, upon approval by its board of directors, the SERTA may impose a rental car transaction fee, in the counties of Kenosha, Racine, and Milwaukee, of not more than \$18 per transaction, except that the SERTA's board of directors may have this fee annually adjusted for inflation. From each rental car transaction fee, the SERTA may retain not more than \$2 per transaction for administration of the SERTA and may retain the remainder for expenditures related to the KRM commuter rail line, including planning, construction, maintenance, operations, and engineering expenditures. The SERTA is the only entity in the counties of Milwaukee, Racine, and Kenosha that may submit an application to the Federal Transit Administration under the federal New Starts Grant Program for funding for the KRM commuter rail line (New Starts application). By July 1, 2010,

the SERTA must submit a New Starts application to enter the preliminary engineering phase for the KRM commuter rail line. Transit system operators in Kenosha County and Racine County receiving state transit aids must provide copies of all of their annual and long-term transit plans to the SERTA as these plans become available.

Act 28 also authorized the creation of several new regional transit authorities (RTAs): the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA. Each RTA, once created, is a public body corporate and politic and a separate governmental entity. Act 28 also specified the powers and duties of these three RTAs, including authorization to impose a sales and use tax in the RTA's jurisdictional area at a rate not exceeding 0.5 percent if certain conditions are satisfied and the duty to provide, or contract for the provision of, transit service within the RTA's jurisdictional area.

This ~~substitute amendment~~ allows the Milwaukee County board to create a Milwaukee Transit Authority (MTA), a public body corporate and politic and a separate governmental entity. Once created, the MTA's jurisdictional area is Milwaukee County. The MTA's authority is vested in its board of directors and its bylaws govern its management, operations, and administration. The MTA's board of directors must annually prepare a budget and have its financial statements

bill recreates the SERTA, with modifications,
and

audited. The MTA's revenues can be used only for the expenses and specific purposes of the MTA.

Upon creation, the MTA and the Milwaukee County board must contract for the MTA to provide, beginning on January 1, 2010, or as soon after creation of the MTA as is reasonably feasible, whichever is later, transit service and transit planning in Milwaukee County. The MTA must be provided sales and use tax revenues from Milwaukee County (discussed below). The MTA has all powers necessary and convenient to carry out its purpose, but the MTA's powers are limited to those provided by statute.

If the MTA is created, then upon approval of a New Starts application, the MTA must begin the process of winding down and dissolving and must complete this process within 120 days. The SERTA then becomes the successor to the MTA. As part of the winding down of the MTA, the MTA's assets and liabilities become the assets and liabilities of the SERTA and the MTA's tangible personal property is transferred to the SERTA. In addition, the MTA's contracts are transferred to the SERTA, except that the MTA's contract with Milwaukee County to provide transit service in Milwaukee County terminates. Responsibility for providing transit service and transit planning in Milwaukee County is then assumed by the SERTA, which must provide transit service in Milwaukee County in the same manner applicable for Kenosha County and Racine County (discussed below).

If Milwaukee County creates an MTA, the ~~substitute amendment~~ requires Milwaukee County to also adopt an ordinance to impose a sales and use tax at the rate of 0.5 percent of the sales price or purchase price. These tax revenues must be distributed to the MTA and Milwaukee County cannot levy property taxes for transit purposes. In addition, Milwaukee County must indicate on property tax bills the amount of the reduction in property taxes associated with this requirement to remove transit expenditures from the property tax levy. However, when the MTA is wound down and dissolved and responsibility for transit is assumed by SERTA, the tax revenues must be distributed to the SERTA.

This ~~substitute amendment~~ also makes ~~significant changes relating~~ to the SERTA including the following:

1. The SERTA consists of both the counties and cities of Kenosha, Racine, and Milwaukee, not just the counties. The SERTA also includes any municipality within these counties that operates a transit system receiving state transit aids.

2. Beginning on January 1, 2010, the SERTA must assume responsibility for providing transit service and transit planning in Kenosha County and Racine County. If an MTA is created and then wound down and dissolved (upon approval of a New Starts application), the SERTA also assumes responsibility for providing transit service and transit planning in Milwaukee County. The SERTA may also provide transit service outside its jurisdictional area if such transit service would benefit residents within the SERTA's jurisdictional area. In lieu of directly providing transit service, the SERTA may contract with existing transit providers for the provision of transit service. The SERTA can also acquire a transit system by entering into a transfer agreement with the owner of the system. The SERTA has all powers

bill, in recreating the SERTA,

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necessary and convenient to carry out these responsibilities, including the power to apply for and utilize state and federal funds.

3. If any county transfers sales tax revenues to the SERTA, the SERTA can expend these funds only in the county in which the revenues were generated and only for purposes of providing transit service or transit planning in that county. These funds cannot be expended for purposes related to the KRM commuter rail line.

4. The SERTA may use a portion of its rental car transaction fee, as well as state transit aids, to provide incentive funds to the cities of Kenosha and Racine. The SERTA must provide \$2,500,000 in incentive funds to each of the cities of Kenosha and Racine if the city commits to support the SERTA's provision of transit service, from city property tax revenues, at then-current operating levels and at inflation-adjusted future operating levels.

5. The SERTA must develop goals and criteria for increasing transit service, increasing connectivity among transit systems, and reducing passenger fare support for transit. The SERTA must evaluate success in achieving these goals and meeting these criteria.

6. The bonding limit for revenue bonds issued by SERTA is increased from \$50,000,000 to \$250,000,000. After January 1, 2010, the SERTA also has additional authority to use revenue bond proceeds for transit systems where the SERTA provides transit service.

7. A KRM commuter rail line cannot include a stop in any municipality in the SERTA's jurisdictional area unless the municipality has a sustainable mechanism to help fund local transit and the municipality is a member of the SERTA.

8. The SERTA is the only entity in southeast Wisconsin that may submit a New Starts application for funding for any purpose.

9. The ~~substitute amendment~~ clarifies that SERTA may operate the KRM commuter rail line itself or may contract for a rail service to operate the KRM commuter rail line.

The ~~substitute amendment~~ also includes the following relating to SERTA and the MTA, if created:

1. The SERTA has authority to acquire property by condemnation.

2. Employees of the SERTA and of the MTA are participatory employees under the Wisconsin Retirement System (WRS) if the SERTA and the MTA, respectively, elect to join the WRS.

3. Employees of the MTA ^{and SERTA} are covered by the Municipal Employment Relations Act (MERA). ~~Employees of the SERTA are covered by MERA under current law~~ MERA provides that all matters relating to wages, hours, and conditions of employment are subject to collective bargaining and all municipal employees are expressly granted the right to self-organize and to bargain collectively through a representative of their choice.

4. The MTA ~~is a~~ ^{and SERTA are} "local governmental unit" for purposes of the prevailing wage and hour law. ~~The SERTA is considered a "local governmental unit" under current law.~~ Under current law, certain workers employed on a public works project contracted by a local governmental unit must be paid at the rate paid for a majority of the hours worked in the person's trade or occupation in the county in which the

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project is located, as determined by the Department of Workforce Development, and may not be required or permitted to work more than ten hours per day and 40 hours per week, unless they are paid 1.5 times their basic rate of pay for all hours worked in excess of those hours. and SERTA

5. MTA property is not subject to state and local property taxes. Current law already exempts SERTA property from such taxes.

6. The SERTA and the MTA are treated like municipalities, counties, and other political subdivisions for purposes of claims and liability resulting from the negligent operation of a motor vehicle and may participate in organizing municipal insurance mutuals to provide insurance and risk management services.

7. The SERTA can enter into intergovernmental cooperation contracts with other governmental units.

8. The SERTA is eligible for urban rail transit system grants from the Department of Transportation.

9. The MTA must provide copies of its annual and long-term transit plans to the SERTA as these plans become available.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.005 (3) (schedule) of the statutes, at the appropriate place, insert
2 the following amounts for the purposes indicated:

3 2009-10 2010-11

4 **20.395 Transportation, department of**

5 (1) AIDS

6 (hy) Tier A-4 transit operating aids,

7 state funds

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8 **SECTION 2.** 20.395 (1) (hy) of the statutes is created to read:

9 20.395 (1) (hy) *Tier A-4 transit operating aids, state funds.* The amounts in the
10 schedule for mass transit aids under s. 85.20 (4m) (a) 6. f.

11 **SECTION 3.** 32.02 (11) of the statutes, as affected by 2009 Wisconsin Act 28, is
12 amended to read:

1 32.02 **(11)** Any housing authority created under ss. 66.1201 to 66.1211;
2 redevelopment authority created under s. 66.1333; community development
3 authority created under s. 66.1335; local cultural arts district created under subch.
4 V of ch. 229, subject to s. 229.844 (4) (c); local exposition district created under subch.
5 II of ch. 229; ~~or~~ transit authority created under s. 66.1039; or the southeastern
6 regional transit authority under s. 59.58 (7).

7 **SECTION 4.** 32.05 (1) (a) of the statutes, as affected by 2009 Wisconsin Act 28,
8 is amended to read:

9 32.05 **(1)** (a) Except as provided under par. (b), a county board of supervisors
10 or a county highway committee when so authorized by the county board of
11 supervisors, a city council, a village board, a town board, a sewerage commission
12 governing a metropolitan sewerage district created by ss. 200.05 or 200.21 to 200.65,
13 the secretary of transportation, a commission created by contract under s. 66.0301,
14 a joint local water authority created by contract under s. 66.0823, a transit authority
15 created under s. 66.1039, the southeastern regional transit authority under s. 59.58
16 (7), a housing authority under ss. 66.1201 to 66.1211, a local exposition district
17 created under subch. II of ch. 229, a local cultural arts district created under subch.
18 V of ch. 229, a redevelopment authority under s. 66.1333 or a community
19 development authority under s. 66.1335 shall make an order providing for the laying
20 out, relocation and improvement of the public highway, street, alley, storm and
21 sanitary sewers, watercourses, water transmission and distribution facilities, mass
22 transit facilities, airport, or other transportation facilities, gas or leachate extraction
23 systems to remedy environmental pollution from a solid waste disposal facility,
24 housing project, redevelopment project, cultural arts facilities, exposition center or
25 exposition center facilities which shall be known as the relocation order. This order

1 shall include a map or plat showing the old and new locations and the lands and
2 interests required. A copy of the order shall, within 20 days after its issue, be filed
3 with the county clerk of the county wherein the lands are located or, in lieu of filing
4 a copy of the order, a plat may be filed or recorded in accordance with s. 84.095.

5 **SECTION 5.** 32.07 (2) of the statutes, as affected by 2009 Wisconsin Act 28, is
6 amended to read:

7 32.07 (2) The petitioner shall determine necessity if application is by the state
8 or any commission, department, board or other branch of state government or by a
9 city, village, town, county, school district, board, commission, public officer,
10 commission created by contract under s. 66.0301, joint local water authority under
11 s. 66.0823, transit authority created under s. 66.1039, the southeastern regional
12 transit authority under s. 59.58 (7), redevelopment authority created under s.
13 66.1333, local exposition district created under subch. II of ch. 229, local cultural arts
14 district created under subch. V of ch. 229, housing authority created under ss.
15 66.1201 to 66.1211 or for the right-of-way of a railroad up to 100 feet in width, for
16 a telegraph, telephone or other electric line, for the right-of-way for a gas pipeline,
17 main or service or for easements for the construction of any elevated structure or
18 subway for railroad purposes.

19 **SECTION 6.** 40.02 (28) of the statutes, as affected by 2009 Wisconsin Act 28,
20 section 779, is amended to read:

21 40.02 (28) "Employer" means the state, including each state agency, any
22 county, city, village, town, school district, other governmental unit or
23 instrumentality of 2 or more units of government now existing or hereafter created
24 within the state, any federated public library system established under s. 43.19
25 whose territory lies within a single county with a population of 500,000 or more, a

1 local exposition district created under subch. II of ch. 229, a transit authority created
2 under s. ~~66.1038 or 66.1039~~, the southeastern regional transit authority under s.
3 59.58 (7), and a long-term care district created under s. 46.2895, except as provided
4 under ss. 40.51 (7) and ~~40.61 (3)~~. "Employer" does not include a local cultural arts
5 district created under subch. V of ch. 229. Each employer shall be a separate legal
6 jurisdiction for OASDHI purposes.

7 **SECTION 7.** 59.58 (6) of the statutes, as affected by 2009 Wisconsin Act 28, is
8 repealed.

9 **SECTION 8.** 59.58 (7) (a) 1. of the statutes, as created by 2009 Wisconsin Act 28,
10 is amended to read:

11 59.58 (7) (a) 1. "Authority" ~~Except as used in subd. 4.~~ "authority" means the
12 southeastern regional transit authority created under this subsection.

13 **SECTION 9.** 59.58 (7) (a) 4. of the statutes is created to read:

14 59.58 (7) (a) 4. "Milwaukee Transit Authority" means an authority created
15 under s. 66.1038.

16 **SECTION 10.** 59.58 (7) (b) of the statutes, as created by 2009 Wisconsin Act 28,
17 is amended to read:

18 59.58 (7) (b) There is created the southeastern regional transit authority, a
19 public body corporate and politic and a separate governmental entity, consisting of
20 the counties and cities of Kenosha, Racine, and Milwaukee, as well as any other
21 municipality located within the counties of Kenosha, Racine, and Milwaukee that
22 operates a transit system receiving funding under s. 85.20. This authority may
23 transact business and exercise any powers granted to it under this subsection. The
24 jurisdictional area of this authority is the geographic area formed by the combined
25 territorial boundaries of the counties of Kenosha, Racine, and Milwaukee.

1 **SECTION 11.** 59.58 (7) (d) of the statutes, as created by 2009 Wisconsin Act 28,
2 is amended to read:

3 59.58 (7) (d) ~~The~~ Subject to par. (o), the authority shall have all powers
4 necessary and convenient to plan, create, construct, operate, and manage a KRM
5 commuter rail line. The authority may operate the KRM commuter rail line itself
6 or may contract for a rail service to operate the KRM commuter rail line.

7 **SECTION 12.** 59.58 (7) (dm) of the statutes is created to read:

8 59.58 (7) (dm) A KRM commuter rail line may not include a stop in any
9 municipality in the authority's jurisdictional area unless the municipality in which
10 the stop is to be located has a sustainable mechanism to help fund local transit and
11 the municipality is a member of the authority.

12 **SECTION 13.** 59.58 (7) (e) 2. of the statutes, as created by 2009 Wisconsin Act
13 28, is amended to read:

14 59.58 (7) (e) 2. ~~Retain~~ Except as provided in subd. 3., retain the difference
15 between the amount of the fees imposed under subch. XIII of ch. 77 and the amount
16 of those fees retained under subd. 1. for expenditures related to the KRM commuter
17 rail line, including planning, construction, maintenance, operations, and
18 engineering expenditures.

19 **SECTION 14.** 59.58 (7) (e) 3. of the statutes is created to read:

20 59.58 (7) (e) 3. Provide incentive funds to the cities of Kenosha and Racine in
21 compliance with the requirements specified in par. (L).

22 **SECTION 15.** 59.58 (7) (f) 2. of the statutes, as created by 2009 Wisconsin Act
23 28, is amended to read:

24 59.58 (7) (f) 2. ~~The~~ Except as provided in par. (p), the authority may issue bonds
25 in an aggregate principal amount not to exceed ~~\$50,000,000~~ \$250,000,000, excluding

1 bonds issued to refund outstanding bonds issued under this subdivision, for the
2 purpose of providing funds for the anticipated local funding share required for
3 initiating KRM commuter rail line service.

4 **SECTION 16.** 59.58 (7) (f) 4. of the statutes, as created by 2009 Wisconsin Act
5 28, is amended to read:

6 59.58 (7) (f) 4. The bonds of the authority are not a debt of the counties or cities
7 that comprise the authority. Neither these counties, nor cities, nor the state are
8 liable for the payment of the bonds. The bonds of the authority shall be payable only
9 out of funds or properties of the authority. The bonds of the authority shall state the
10 restrictions contained in this subdivision on the face of the bonds.

11 **SECTION 17.** 59.58 (7) (g) of the statutes, as created by 2009 Wisconsin Act 28,
12 is amended to read:

13 59.58 (7) (g) All moneys transferred under s. 59.58 (6) (cg), 2007 stats., shall
14 be used by the authority to assist in the planning of the KRM commuter rail line
15 project.

16 **SECTION 18.** 59.58 (7) (i) of the statutes, as created by 2009 Wisconsin Act 28,
17 is amended to read:

18 59.58 (7) (i) The authority is the only entity in the counties of Milwaukee,
19 Racine, and Kenosha that may submit an application for funding to the federal
20 transit administration in the U.S. department of transportation under the federal
21 new starts grant program for funding for the KRM commuter rail line.

22 **SECTION 19.** 59.58 (7) (j) of the statutes, as created by 2009 Wisconsin Act 28,
23 is amended to read:

24 59.58 (7) (j) The operator of any transit system in Kenosha County or Racine
25 County receiving funding under s. 85.20, and the Milwaukee Transit Authority if

1 ~~created under s. 66.1038~~, shall provide copies of all of their annual and long-term
2 transit plans to the southeastern regional transit authority as these plans become
3 available.

4 ~~SECTION 20. 59.58 (7) (k) of the statutes is created to read:~~

5 59.58 (7) (k) The authority shall develop goals and criteria for increasing
6 transit service, increasing connectivity among transit systems, and reducing
7 passenger fare support for transit. The authority shall evaluate success in achieving
8 these goals and meeting these criteria.

9 SECTION 21. 59.58 (7) (L) of the statutes is created to read:

10 59.58 (7) (L) From the fees identified in par. (e) and the aids received by the
11 authority under s. 85.20 (4m) (a) 6. f., the authority shall provide incentive funds to
12 the city of Kenosha and to the city of Racine, in the amount of \$2,500,000 for each
13 city, if the city commits to support the authority's provision of transit service, from
14 city property tax revenues, at then-current operating levels and at
15 inflation-adjusted future operating levels.

16 SECTION 22. 59.58 (7) (m) of the statutes is created to read:

17 59.58 (7) (m) Except as provided in par. (n), and notwithstanding s. 59.84 (2)
18 and any other provision of this chapter or ch. 66 or 85, beginning on January 1, 2010,⁵
19 the authority shall assume responsibility for providing transit service and transit
20 planning within the jurisdictional area of the authority. The authority may also
21 provide transit service outside the authority's jurisdictional area if such transit
22 service would benefit residents within the authority's jurisdictional area. In lieu of
23 directly providing transit service, the authority may contract with existing transit
24 providers for the provision of transit service. An authority may also acquire a
25 comprehensive unified local transit system, as defined in s. 66.1039 (1) (d), by

entering into a transfer agreement with the owner of the system. The authority shall have all powers necessary and convenient to carry out its responsibilities under this paragraph, including the power to apply for and utilize state and federal funds.

SECTION 23. 59.58 (7) (n) of the statutes is created to read:

59.58 (7) (n) 1. The authority may not assume responsibility for providing transit service and transit planning in Milwaukee County until all of the following occur:

a. A Milwaukee Transit Authority is created as provided in s. 66.1038 (2).

b. ~~Until~~⁹ approval of an application as described in s. 66.1038 (7) (a).

2. When the last of the conditions specified in subd. 1. occurs, the authority shall do all of the following:

a. Assist the Milwaukee Transit Authority in the winding down process described in s. 66.1038 (7) (a) and (b), including assisting in the orderly transfer of assets and property to the southeastern regional transit authority.

b. Within 120 days thereafter, assume responsibility for providing transit service and transit planning in Milwaukee County under par. (m).

SECTION 24. 59.58 (7) (o) of the statutes is created to read:

59.58 (7) (o) If any county transfers sales tax revenues to the authority, the authority may expend these funds only in the county in which the revenues were generated and only for purposes of providing transit service or transit planning within this county. These funds may not be expended for purposes related to the KRM commuter rail line. This paragraph does not prohibit the authority from using any available revenues for payment of debt service on bonds issued under par. (f) that were issued for purposes consistent with this paragraph.

SECTION 25. 59.58 (7) (p) of the statutes is created to read:

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1 **59.58 (7)** (p) After the authority assumes responsibility for providing transit
2 service under par. (m), in addition to the authorization under par. (f) 2., the authority
3 may use bond proceeds from the bonds issued under par. (f) for the construction of
4 new capital improvements to the authority's transit system or for the acquisition of
5 existing transit systems in any portion of the authority's jurisdictional area where
6 the authority provides transit service.

7 **SECTION 26.** 66.0301 (1) (a) of the statutes, as affected by 2009 Wisconsin Act
8 112, is amended to read:

9 66.0301 **(1)** (a) Except as provided in pars. (b) and (c), in this section
10 "municipality" means the state or any department or agency thereof, or any city,
11 village, town, county, school district, public library system, public inland lake
12 protection and rehabilitation district, sanitary district, farm drainage district,
13 metropolitan sewerage district, sewer utility district, solid waste management
14 system created under s. 59.70 (2), local exposition district created under subch. II of
15 ch. 229, local professional baseball park district created under subch. III of ch. 229,
16 local professional football stadium district created under subch. IV of ch. 229, local
17 cultural arts district created under subch. V of ch. 229, transit authority created
18 under s. 66.1039, the southeastern regional transit authority under s. 59.58 (7).
19 long-term care district under s. 46.2895, water utility district, mosquito control
20 district, municipal electric company, county or city transit commission, commission
21 created by contract under this section, taxation district, regional planning
22 commission, housing authority created under s. 66.1201, redevelopment authority
23 created under s. 66.1333, community development authority created under s.
24 66.1335, or city-county health department.

1 **SECTION 27.** 66.0903 (1) (d) of the statutes, as affected by 2009 Wisconsin Act
2 28, is amended to read:

3 66.0903 (1) (d) "Local governmental unit" means a political subdivision of this
4 state, a special purpose district in this state, an instrumentality or corporation of
5 such a political subdivision or special purpose district, a combination or subunit of
6 any of the foregoing or an instrumentality of the state and any of the foregoing.
7 "Local governmental unit" includes a regional transit authority created under s.
8 66.1039, the Milwaukee Transit Authority created under s. 66.1038, and the
9 southeastern regional transit authority created under s. 59.58 (7).

10 **SECTION 28.** 66.1038 of the statutes is created to read:

11 **66.1038 Milwaukee Transit Authority. (1) DEFINITIONS.** In this section:

12 (a) Except as used in par. (c), "authority" means a Milwaukee Transit Authority
13 created under this section.

14 (b) "KRM commuter rail line" has the meaning given in s. 59.58 (7) (a) 3.

15 (c) "Southeastern regional transit authority" means the southeastern regional
16 transit authority created under s. 59.58 (7).

17 **(2) CREATION.** Subject to the tax imposition requirement of s. 77.70 (2), the
18 Milwaukee County board may create a Milwaukee Transit Authority, a public body
19 corporate and politic and a separate governmental entity. Once created, the
20 authority may transact business and exercise any powers granted to it under this
21 section. The jurisdictional area of this authority is the geographic area formed by
22 the territorial boundaries of Milwaukee County.

23 **(3) GOVERNANCE.** (a) Upon creation, the powers of the authority shall be vested
24 in its board of directors. Directors shall be appointed for 2-year terms. A majority
25 of the board of directors' full authorized membership constitutes a quorum for the

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1 purpose of conducting the authority's business and exercising its powers. Action may
2 be taken by the board of directors upon a vote of a majority of the directors present
3 and voting, unless the bylaws of the authority require a larger number.

4 (b) The board of directors of the authority consists of the following members:

5 1. Two members from the authority's jurisdictional area, appointed by the
6 Milwaukee County board chairperson.

7 2. One member from that portion of the authority's jurisdictional area that is
8 outside the city of Milwaukee, appointed by the Milwaukee County board
9 chairperson.

10 3. One member, appointed by the mayor of the city of Milwaukee.

11 4. One member from the authority's jurisdictional area, appointed by the
12 governor.

13 (c) The bylaws of the authority shall govern its management, operations, and
14 administration, consistent with the provisions of this section.

15 **(4) POWERS.** (a) Notwithstanding s. 59.84 (2) and any other provision of this
16 chapter or ch. 59 or 85, but subject to sub. (7), upon creation, the authority and the
17 Milwaukee County board shall contract for the authority to provide, beginning on
18 January 1, 201⁵, or as soon after creation of the authority as is reasonably feasible,
19 whichever is later, transit service and transit planning in Milwaukee County. The
20 authority shall have all powers necessary and convenient to carry out this purpose.
21 The authority's powers shall be limited to those specified in this section.

22 (b) The authority shall be provided the tax revenues imposed under s. 77.70 (2).

23 **(5) BUDGETS; REVENUES; AUDIT.** The board of directors of the authority shall
24 annually prepare a budget for the authority. Revenues of the authority shall be used
25 only for the expenses and specific purposes of the authority. The authority shall

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1 maintain an accounting system in accordance with generally accepted accounting
2 principles and shall have its financial statements audited annually by an
3 independent certified public accountant.

4 (6) OTHER STATUTES. This section does not limit the powers of political
5 subdivisions to enter into intergovernmental cooperation or contracts or to establish
6 separate legal entities under s. 66.0301 or 66.1021 or any other applicable law, or
7 otherwise to carry out their powers under applicable statutory provisions. Section
8 66.0803 (2) does not apply to the authority.

9 (7) SUNSET AND TRANSITION. (a) Upon approval by the federal transit
10 administration in the U.S. department of transportation of an application under the
11 federal new starts grant program for funding for the KRM commuter rail line, the
12 authority shall begin the process of winding down and dissolving, including taking
13 those actions specified in par. (b), and shall complete this process no later than 120
14 days after the date of the approval. The authority terminates on the 120th day after
15 the date of the approval.

16 (b) Upon approval of an application as described in par. (a) and the winding
17 down and dissolution of the authority under this subsection, the southeastern
18 regional transit authority shall become the successor to the authority. The board of
19 directors of the authority shall assist in good faith in the transition from the
20 authority to the southeastern regional transit authority. As part of the authority's
21 winding down process, all of the following shall occur:

22 1. The assets and liabilities of the authority shall become the assets and
23 liabilities of the southeastern regional transit authority.

24 2. All tangible personal property, including records, of the authority shall be
25 transferred to the southeastern regional transit authority.

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1 3. All contracts entered into by the authority, in effect at the time of winding
2 down the authority, remain in effect and are transferred to the southeastern regional
3 transit authority. The southeastern regional transit authority shall carry out any
4 obligations under such a contract until the contract is modified or rescinded by the
5 southeastern regional transit authority to the extent allowed under the contract.

6 This subdivision does not apply to the contract specified in par. (c).

7 (c) The contract between the authority and the Milwaukee County board under
8 sub. (4) shall require that, as part of the winding down and dissolution of the
9 authority under this subsection, the contract will terminate and responsibility for
10 providing transit service and transit planning in Milwaukee County will thereafter
11 be assumed by the southeastern regional transit authority under s. 59.58 (7) (m) and
12 (n).

13 ~~SECTION 29. 70.11 (2) of the statutes, as affected by 2009 Wisconsin Act 28, is~~
14 ~~amended to read:~~

15 ~~70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.~~
16 ~~Property owned by any county, city, village, town, school district, technical college~~
17 ~~district, public inland lake protection and rehabilitation district, metropolitan~~
18 ~~sewerage district, municipal water district created under s. 198.22, joint local water~~
19 ~~authority created under s. 66.0823, transit authority created under s. 59.58 (7),~~
20 ~~66.1038, or 66.1039, long-term care district under s. 46.2895 or town sanitary~~
21 ~~district; lands belonging to cities of any other state used for public parks; land~~
22 ~~tax-deeded to any county or city before January 2; but any residence located upon~~
23 ~~property owned by the county for park purposes that is rented out by the county for~~
24 ~~a nonpark purpose shall not be exempt from taxation. Except as to land acquired~~
25 ~~under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after~~

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1 August 17, 1961, to any such governmental unit or for its benefit while the grantor
2 or others for his or her benefit are permitted to occupy the land or part thereof in
3 consideration for the conveyance. Leasing the property exempt under this
4 subsection, regardless of the lessee and the use of the leasehold income, does not
5 render that property taxable.

6 **SECTION 30.** 71.26 (1) (b) of the statutes, as affected by 2009 Wisconsin Act 28,
7 is amended to read:

8 71.26 (1) (b) *Political units.* Income received by the United States, the state
9 and all counties, cities, villages, towns, school districts, technical college districts,
10 joint local water authorities created under s. 66.0823, transit authorities created
11 under s. 59.58 (7), 66.1038, or 66.1039, long-term care districts under s. 46.2895 or
12 other political units of this state.

13 **SECTION 31.** 74.09 (3) (gd) of the statutes is created to read:

14 74.09 (3) (gd) For Milwaukee County, if it imposes a sales and use tax under
15 s. 77.70 (2), indicate the amount of the reduction in property taxes associated with
16 the requirement under s. 77.70 (2) to remove transit expenditures from the property
17 tax levy.

18 **SECTION 32.** 77.54 (9a) (er) of the statutes, as affected by 2009 Wisconsin Act
19 28, is amended to read:

20 77.54 (9a) (er) Any transit authority created under s. 59.58 (7), 66.1038, or
21 66.1039.

22 **SECTION 33.** 77.70 (2) of the statutes is created to read:

23 77.70 (2) In addition to the taxes imposed under sub. (1), if the Milwaukee
24 County board creates a Milwaukee Transit Authority as provided in s. 66.1038 (2),
25 the Milwaukee County board shall adopt an ordinance to impose a sales and use tax

1 under this subchapter at the rate of 0.5 percent of the sales price or purchase price.
2 The taxes may be imposed only in their entirety. If Milwaukee County imposes the
3 taxes under this subsection, it shall not levy property taxes for transit purposes. If
4 Milwaukee County imposes the taxes under this subsection, it shall distribute the
5 tax revenue to the Milwaukee Transit Authority created under s. 66.1038, except
6 that, upon approval of an application as described in s. 66.1038 (7) (a), it shall
7 distribute the tax revenue to the southeastern regional transit authority created
8 under s. 59.58 (7). An ordinance adopted under this subsection shall be effective on
9 the first day of January, the first day of April, the first day of July, or the first day
10 of October. A certified copy of that ordinance shall be delivered to the secretary of
11 revenue at least 120 days prior to its effective date. The repeal of any such ordinance
12 shall be effective on December 31. A certified copy of a repeal ordinance shall be
13 delivered to the secretary of revenue at least 120 days before the effective date of the
14 repeal.

15 **SECTION 34.** 85.063 (3) (b) 1. of the statutes, as affected by 2009 Wisconsin Act
16 28, is amended to read:

17 85.063 (3) (b) 1. Upon completion of a planning study under sub. (2), or, to the
18 satisfaction of the department, of a study under s. 85.022, a political subdivision in
19 a county, or a transit authority created under s. 66.1039, or the southeastern regional
20 transit authority under s. 59.58 (7), that includes the urban area may apply to the
21 department for a grant for property acquisition for an urban rail transit system.

22 **SECTION 35.** 85.20 (4m) (a) (intro.) of the statutes, as affected by 2009 Wisconsin
23 Act 28, is amended to read:

24 85.20 (4m) (a) (intro.) The department shall pay annually to the eligible
25 applicant described in subd. 6. cm. the amount of aid specified in subd. 6. cm. The

1 department shall pay annually to the eligible applicant described in subd. 6. d. the
2 amount of aid specified in subd. 6. d. The department shall allocate an amount to
3 each eligible applicant described in subd. 6. e., 6. f., 7., or 8. to ensure that the sum
4 of state and federal aids for the projected operating expenses of each eligible
5 applicant's urban mass transit system is equal to a uniform percentage, established
6 by the department, of the projected operating expenses of the mass transit system
7 for the calendar year. The department shall make allocations as follows:

8 **SECTION 36.** 85.20 (4m) (a) 6. e. of the statutes as created by 2009 Wisconsin
9 Act 28, is amended to read:

10 85.20 (4m) (a) 6. e. From the appropriation under s. 20.395 (1) (hw), the
11 department may pay the uniform percentage for each eligible applicant for a planned
12 commuter or light rail system that has been enumerated under s. 85.062 (3). An
13 eligible applicant may not receive aid under subd. 6. cm. or d., 7., or 8. for a commuter
14 rail or light rail transit system.

15 **SECTION 37.** 85.20 (4m) (a) 6. f. of the statutes is created to read:

16 85.20 (4m) (a) 6. f. From the appropriation under s. 20.395 (1) (hy), the
17 department may pay the uniform percentage for each eligible applicant for making
18 payments under s. 59.58 (7) (L).

19 **SECTION 38.** 85.20 (4s) of the statutes as affected by 2009 Wisconsin Act 28,
20 is amended to read:

21 85.20 (4s) PAYMENT OF AIDS UNDER THE CONTRACT. The contracts executed
22 between the department and eligible applicants under this section shall provide that
23 the payment of the state aid allocation under sub. (4m) (a) for the last quarter of the
24 state's fiscal year shall be provided from the following fiscal year's appropriation
25 under s. 20.395 (1) (hr), (hs), (ht), (hu), ~~or~~ (hw), or (hy).

1 **SECTION 39.** 111.70 (1) (j) of the statutes, as affected by 2009 Wisconsin Act 28,
2 is amended to read:

3 111.70 (1) (j) “Municipal employer” means any city, county, village, town,
4 metropolitan sewerage district, school district, long-term care district, transit
5 authority under s. 59.58 (7), 66.1038, or 66.1039, or any other political subdivision
6 of the state, or instrumentality of one or more political subdivisions of the state, that
7 engages the services of an employee and includes any person acting on behalf of a
8 municipal employer within the scope of the person’s authority, express or implied,
9 but specifically does not include a local cultural arts district created under subch. V
10 of ch. 229.

11 **SECTION 40.** 345.05 (1) (ag) of the statutes, as created by 2009 Wisconsin Act
12 28, is amended to read:

13 345.05 (1) (ag) “Authority” means a transit authority created under s. 66.1038
14 or 66.1039 and the southeastern regional transit authority under s. 59.58 (7).

15 **SECTION 41.** 611.11 (4) (a) of the statutes, as affected by 2009 Wisconsin Act 28,
16 is amended to read:

17 611.11 (4) (a) In this subsection, “municipality” has the meaning given in s.
18 345.05 (1) (c), but also includes any transit authority created under s. 66.1038 or
19 66.1039 and the southeastern regional transit authority under s. 59.58 (7).

20 (END)

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4003/P1ins
ARG:.....

1
2 ✓ **INSERT 3-4:**

3 20.566 (1) (gh) *Administration of southeastern regional transit authority fees.*
4 The amounts in the schedule for administering the fees imposed under subch. XIII
5 of ch. 77. An amount equal to 2.55% of all moneys received from the fees imposed
6 under subch. XIII of ch. 77 shall be credited to this appropriation. Notwithstanding
7 s. 20.001 (3) (a), at the end of each fiscal year the unencumbered balance in this
8 appropriation account that exceeds 10% of the expenditures from this appropriation
9 during the fiscal year shall be transferred to the appropriation account under s.
10 20.835 (4) (gh).
11

12 ✓ **INSERT 3-11:**

13 20.835 (4) (gh) *Southeastern regional transit authority fees.* All moneys
14 received from the fees imposed under subch. XIII of ch. 77, and from the
15 appropriation account under s. 20.566 (1) (gh), for distribution to the southeastern
16 regional transit authority under s. 59.58 (7), except that 2.55% of the moneys
17 received from the fees imposed under subch. XIII of ch. 77 shall be credited to the
18 appropriation account under s. 20.566 (1) (gh).
19

20 **INSERT 11-4:**

21 **SECTION 1.** 59.58 (7) of the statutes is created to read:

22 **59.58 (7) SOUTHEASTERN REGIONAL TRANSIT AUTHORITY.** (a) In this subsection:

1 1. Except as used in subd. 4., "authority" means the southeastern regional
2 transit authority created under this subsection.

3 2. "Bonds" means any bonds, interim certificates, notes, debentures, or other
4 obligations of the authority issued under this subsection.

5 3. "KRM commuter rail line" means a commuter rail transit system connecting
6 the cities of Kenosha, Racine, and Milwaukee.

7 4. "Milwaukee Transit Authority" means an authority created under s.
8 66.1038.

9 (b) There is created the southeastern regional transit authority, a public body
10 corporate and politic and a separate governmental entity, consisting of the counties
11 and cities of Kenosha, Racine, and Milwaukee, as well as any other municipality
12 located within the counties of Kenosha, Racine, and Milwaukee that operates a
13 transit system receiving funding under s. 85.20. This authority may transact
14 business and exercise any powers granted to it under this subsection. The
15 jurisdictional area of this authority is the geographic area formed by the combined
16 territorial boundaries of the counties of Kenosha, Racine, and Milwaukee.

17 (c) 1. The powers of the authority shall be vested in its board of directors,
18 consisting of the following members:

19 a. Two members from Milwaukee County, appointed by the Milwaukee County
20 board chairperson.

21 b. Two members from the city of Milwaukee, appointed by the mayor of the city
22 of Milwaukee.

23 c. One member from Racine County, appointed by the Racine County board
24 chairperson.

1 d. One member from the city of Racine, appointed by the mayor of the city of
2 Racine.

3 e. One member from Kenosha County, appointed by the Kenosha County board
4 chairperson.

5 f. One member from the city of Kenosha, appointed by the mayor of the city of
6 Kenosha.

7 g. One member from the authority's jurisdictional area, appointed by the
8 governor.

9 2. A majority of the board of directors' full authorized membership constitutes
10 a quorum for the purpose of conducting the authority's business and exercising its
11 powers. Action may be taken by the board of directors upon a vote of a majority of
12 the directors present and voting, unless the bylaws of the authority require a larger
13 number.

14 (d) Subject to par. (o), the authority shall have all powers necessary and
15 convenient to plan, create, construct, operate, and manage a KRM commuter rail
16 line. The authority may operate the KRM commuter rail line itself or may contract
17 for a rail service to operate the KRM commuter rail line.

18 (dm) A KRM commuter rail line may not include a stop in any municipality in
19 the authority's jurisdictional area unless the municipality in which the stop is to be
20 located has a sustainable mechanism to help fund local transit and the municipality
21 is a member of the authority.

22 (e) The authority may impose the fees under subch. XIII of ch. 77. From the
23 fees, the authority may do all of the following:

24 1. Retain not more than \$2 for each transaction for administration of the
25 authority.

1 2. Except as provided in subd. 3., retain the difference between the amount of
2 the fees imposed under subch. XIII of ch. 77 and the amount of those fees retained
3 under subd. 1. for expenditures related to the KRM commuter rail line, including
4 planning, construction, maintenance, operations, and engineering expenditures.

5 3. Provide incentive funds to the cities of Kenosha and Racine in compliance
6 with the requirements specified in par. (L).

7 (f) 1. The authority may issue bonds, the principal and interest on which are
8 payable exclusively from all or a portion of any revenues received by the authority.
9 The authority may secure its bonds by a pledge of any income or revenues from any
10 operations, rent, aids, grants, subsidies, contributions, or other source of moneys
11 whatsoever.

12 2. Except as provided in par. (p), the authority may issue bonds in an aggregate
13 principal amount not to exceed \$250,000,000, excluding bonds issued to refund
14 outstanding bonds issued under this subdivision, for the purpose of providing funds
15 for the anticipated local funding share required for initiating KRM commuter rail
16 line service.

17 3. Neither the authority's board of directors nor any person executing the bonds
18 is personally liable on the bonds by reason of the issuance of the bonds.

19 4. The bonds of the authority are not a debt of the counties or cities that
20 comprise the authority. Neither these counties, nor cities, nor the state are liable for
21 the payment of the bonds. The bonds of the authority shall be payable only out of
22 funds or properties of the authority. The bonds of the authority shall state the
23 restrictions contained in this subdivision on the face of the bonds.

24 5. Bonds of the authority shall be authorized by resolution of the authority's
25 board of directors. The bonds may be issued under such a resolution or under a trust

1 indenture or other security instrument. The bonds may be issued in one or more
2 series and may be in the form of coupon bonds or registered bonds under s. 67.09.
3 The bonds shall bear the dates, mature at the times, bear interest at the rates, be in
4 the denominations, have the rank or priority, be executed in the manner, be payable
5 in the medium of payment and at the places, and be subject to the terms of
6 redemption, with or without premium, as the resolution, trust indenture, or other
7 security instrument provides. Bonds of the authority are issued for an essential
8 public and governmental purpose and are public instrumentalities and, together
9 with interest and income, are exempt from taxes. The authority may sell the bonds
10 at public or private sales at the price or prices determined by the authority. If a
11 member of the authority's board of directors whose signature appears on any bonds
12 or coupons ceases to be a member of the authority's board of directors before the
13 delivery of such obligations, the member's signature shall, nevertheless, be valid for
14 all purposes as if the member had remained a member until delivery of the bonds.

15 6. The authority may issue refunding bonds for the purpose of paying any of
16 its bonds at or prior to maturity or upon acceleration or redemption. The authority
17 may issue refunding bonds at such time prior to the maturity or redemption of the
18 refunded bonds as the authority deems to be in the public interest. The refunding
19 bonds may be issued in sufficient amounts to pay or provide the principal of the bonds
20 being refunded, together with any redemption premium on the bonds, any interest
21 accrued or to accrue to the date of payment of the bonds, the expenses of issue of the
22 refunding bonds, the expenses of redeeming the bonds being refunded, and such
23 reserves for debt service or other capital or current expenses from the proceeds of
24 such refunding bonds as may be required by the resolution, trust indenture, or other

security instruments. To the extent applicable, refunding bonds are subject to subd.
5.

(h) The authority's powers shall be limited to those specified in this subsection.

(i) The authority is the only entity in the counties of Milwaukee, Racine, and
Kenosha that may submit an application for funding to the federal transit
administration in the U.S. department of transportation under the federal new
starts grant program.

(j) The operator of any transit system in Kenosha County or Racine County
receiving funding under s. 85.20, and the Milwaukee Transit Authority if created
under s. 66.1038, shall provide copies of all of their annual and long-term transit
plans to the southeastern regional transit authority as these plans become available.

✓ **INSERT 23-1:**

SECTION 2. 71.05 (1) (c) 9. of the statutes is created to read:

71.05 (1) (c) 9. The southeastern regional transit authority under s. 59.58 (7)
(f).

✓ **INSERT 23-6 A:**

SECTION 3. 71.26 (1m) (j) of the statutes is created to read:

71.26 (1m) (j) Those issued under s. 59.58 (7) (f).

SECTION 4. 71.45 (1t) (j) of the statutes is created to read:

71.45 (1t) (j) Those issued under s. 59.58 (7) (f).

1 ✓ **INSERT 31-1:**

2 **SECTION 5.** Subchapter XIII (title) of chapter 77 [precedes 77.9971] of the
3 statutes is created to read:

4 **CHAPTER 77**

5 **SUBCHAPTER XIII**

6 **SOUTHEASTERN REGIONAL TRANSIT AUTHORITY FEE**

7 g Δ

8 **SECTION 6.** 77.9971 of the statutes is created to read:

9 **77.9971 Imposition.** (1) The southeastern regional transit authority under s.
10 59.58 (7) may impose a fee at a rate not to exceed \$18, as adjusted under sub. (2), for
11 each transaction in the authority's jurisdictional area, as described in s. 59.58 (7) (b),
12 on the rental, but not for rental and not for rental as a service or repair replacement
13 vehicle, of Type 1 automobiles, as defined in s. 340.01 (4) (a), by establishments
14 primarily engaged in short-term rental of passenger cars without drivers, for a
15 period of 30 days or less, unless the sale is exempt from the sales tax under s. 77.54
16 (1), (4), (7) (a), (7m), (9), or (9a). The fee imposed under this subchapter shall be
17 effective on the first day of the first month that begins at least 90 days after the board
18 of directors of the southeastern regional transit authority approves the imposition
19 of the fee and notifies the department of revenue. The board of directors shall notify
20 the department of a repeal of the fee imposed under this subchapter at least 60 days
21 before the effective date of the repeal.

22 (2) (a) The southeastern regional transit authority's board of directors may
23 provide for the annual adjustment of the fee specified in sub. (1) to reflect the average
24 annual percentage change in the U.S. consumer price index for all urban consumers,
25 U.S. city average, as determined by the U.S. department of labor, for the 12 months

1 ending on September 30 of the year before the adjustment. If the fee is adjusted
2 under this subsection and the adjusted fee is not evenly divisible by \$0.25, the
3 adjusted fee shall be rounded to the next highest quarter-dollar amount.

4 (b) If the fee is adjusted under this subsection, the southeastern regional
5 transit authority shall provide notice to the department of revenue of the fee
6 adjustment at least 90 days before the adjustment becomes effective.

7 **SECTION 7.** 77.9972 of the statutes is created to read:

8 **77.9972 Administration.** (1) ⁽³⁾ The department of revenue shall administer the
9 fee under this subchapter and may take any action, conduct any proceeding, and
10 impose interest and penalties.

11 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4), (5), (13),
12 (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.522, 77.585, 77.59, 77.60, 77.61
13 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under
14 subch. III, apply to the fee under this subchapter. Section 77.73, as it applies to the
15 taxes under subch. V, applies to the fee under this subchapter. The renter shall
16 collect the fee under this subchapter from the person to whom the passenger car is
17 rented.

18 (3) From the appropriation under s. 20.835 (4) (gh), the department of revenue
19 shall distribute 97.45^{percent} of the fees collected under this subchapter to the
20 southeastern regional transit authority and shall indicate to the authority the fees
21 reported by each fee payer in the authority's jurisdiction, no later than the end of the
22 month following the end of the calendar quarter in which the amounts were collected.
23 The fees distributed shall be increased or decreased to reflect subsequent refunds,
24 audit adjustments, and all other adjustments. Interest paid on refunds of the fee
25 under this subchapter shall be paid from the appropriation under s. 20.835 (4) (gh)

1 at the rate under s. 77.60 (1) (a). If the southeastern regional transit authority
2 receives a report along with a payment under this subsection, the southeastern
3 regional transit authority is subject to the duties of confidentiality to which the
4 department of revenue is subject under s. 77.61 (5).

5 (4) Persons who are subject to the fee under this subchapter shall register with
6 the department of revenue. Any person who is required to register; including any
7 person authorized to act on behalf of a corporation, partnership, or other person who
8 is required to register; who fails to do so is guilty of a misdemeanor.

9 (5) A retailer who collects a fee under this subchapter shall identify the fee as
10 a separate item on a receipt the retailer provides to a rental customer.

11 (6) If the department of revenue receives notice of a fee adjustment under s.
12 77.9971 (2) (b), the department shall publish the new adjusted fee at least 30 days
13 before the adjustment becomes effective.

14 **SECTION 8.** 77.9973 of the statutes is created to read:

15 **77.9973 Discontinuation.** Retailers and the department of revenue may not
16 collect fees under this subchapter for the southeastern regional transit authority
17 after the calendar quarter during which the southeastern regional transit authority
18 ceases to exist, except that the department may collect from retailers fees that
19 accrued before that calendar quarter and interest and penalties that relate to those
20 fees. If fees are collected, the authority may use the revenue for any lawful purpose.

21 **SECTION 9.** 85.062 (3) (c) of the statutes is created to read:

22 85.062 (3) (c) The KRM commuter rail line, as defined in s. 59.58 (7) (a) 3.
23